

CITIZEN AND AGENCY PERSPECTIVES ON THE FEDERAL LANDS RECREATION ENHANCEMENT ACT

OVERSIGHT HEARING

BEFORE THE

SUBCOMMITTEE ON PUBLIC LANDS
AND ENVIRONMENTAL REGULATION

OF THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

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OVERSIGHT HEARING ON CITIZEN AND AGENCY PERSPECTIVES ON THE FEDERAL LANDS RECREATION ENHANCEMENT ACT

Tuesday, June 18, 2013
U.S. House of Representatives
Subcommittee on Public Lands and Environmental Regulation
Committee on Natural Resources
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:07 a.m., in room 1324, Longworth House Office Building, Hon. Rob Bishop [Chairman of the Subcommittee] presiding.

Present: Representatives Bishop, McClintonck, Tipton, Grijalva, DeFazio, Sablan, Shea-Porter, and Garcia.

Mr. BISHOP. Thank you. I didn't mean to interrupt the mortuary here. The hearing will come to order. The Chair notes the presence of a quorum. The Subcommittee on the Public Lands and Environmental Regulations is meeting today to hear the citizen and agency perspectives on Federal lands and recreation enhancements.

Under the rules, the opening statements are limited to the Chairman and Ranking Member. However, I do ask unanimous consent to include any other Members' opening statement into the hearing record if submitted to the clerk by close of business today.

[No response.]

Mr. BISHOP. Hearing no objections, so ordered.

STATEMENT OF THE HON. ROB BISHOP, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF UTAH

Mr. BISHOP. Last time we covered this particular subject area was in 2008, and we have a program that is about to expire in 2014. So the Federal Land Recreation Enhancement Act, which is called FLREA, because we like to talk in acronyms around here, expires next year. This program allows agencies of the Interior Department and Forest Service—some are good, some are bad, and I will let you decide which of those—to collect fees for development of facilities that are providing special services.

So, this agency can suspend the fees without further appropriations. Most of them stay on the collection site. And FLREA also authorizes the sale of nationwide permits.

Today we are going to hear from witnesses who represent the Federal Government who administer FLREA. We are going to hear from a State Park Director who will illustrate what is done on the State government level. We also have with us critics of FLREA, who will talk us through what they see as reforms that should be enhanced with the program.

As I said, the authorization of this expires in 2014, December of 2014. But since there are many activities that are multi-year permits, the sooner that we can renew this act and make changes to

improve the act, the better it will be. There are several important issues that need to be addressed, like which agency should charge the fees, what types of fees should be allowed. What is the oversight mechanism of the fees? Is there correct pricing of the fees? How should the fee revenue be used? Do the incentives in the program of fees promote the best policies that we have, and are there adequate requirements for transparency and efficiency? These are just some of the questions this Committee will ask. And I think some of our witnesses will talk about whether we should have them at all.

With that, though, there are a lot of things that we need to talk about to be considered before we reauthorize FLREA, which, in one way or another, has to be reauthorized. And I am looking forward to this hearing as the opening phase, and clearly having a better understanding of what this program does, what it is intended to do, and what it actually can be, or if it shouldn't be there at all.

[The prepared statement of Mr. Bishop follows:]

**PREPARED STATEMENT OF THE HONORABLE ROB BISHOP, CHAIRMAN, SUBCOMMITTEE
ON PUBLIC LANDS AND ENVIRONMENTAL REGULATION**

The Federal Lands Recreation Enhancement Act (FLUH-**REE-AH**, in government-speak) expires next year.

This program authorizes the National Park Service, the Fish and Wildlife Service, BLM, the Bureau of Reclamation, and the Forest Service to charge and collect fees at developed recreation facilities on Federal lands and waters when special services are provided. National Parks can charge an entrance fee, BLM and the Forest Service cannot.

The agencies can spend the revenue from fees without further appropriation, with most of the money retained at the collection site. FLREA also authorizes the sale of nation-wide passes.

Today we will hear from witnesses who represent the Federal agencies that administer FLREA and from a State park director regarding recreation fees from the perspective of State government.

FLREA has its critics as well and we will hear from three thoughtful advocates for reform of the program.

The authorization for FLREA expires in December of 2014, but because some of the activities allowed under the act are multi-year, it is best for us to act well before the expiration date. Before we extend the program, however, we need to see what we can learn from the successes and failures of the current program.

Several important issues still need to be addressed.

- Which agencies should charge fees?
- What types of fees should be allowed?
- What is the correct pricing of fees?
- How should fee revenue be used?

Do the incentives in the program promote the best policies, and are there adequate requirements for transparency and efficiency?

These are just a few of the questions this Subcommittee will need to consider as part of any FLREA extension.

Let us then begin the hearing. I look forward to hearing from today's witnesses.

Mr. BISHOP. I look forward to that, and I will turn to the Ranking Member if he has an opening statement.

STATEMENT OF THE HON. RAÚL M. GRIJALVA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Mr. GRIJALVA. Thank you, Chairman Bishop. And thanks for holding the hearing today. The Chairman should be commended for the time and attendance that he has paid to Federal lands recreation. Today I am encouraged that we are able to broaden our dia-

log to include issues that are impacting everyday people and everyday users of our parks.

Since the passage of the Federal Lands Recreation Enhancement Act in 2005, agency actions to collect fees for recreation and public lands have stirred a considerable amount of debate.

In my backyard, fees established by the Forest Service for parking on Mount Lebanon Highway are hugely controversial. Arguing that the Forest Service was illegally charging fees, a group of local citizens sued the Forest Service and prevailed in court. I am interested in hearing more from the agencies regarding their compliance with that court's decision.

Recreation and the money recreation generates from our public lands is an important source of revenue for the agencies that manage these lands, and the adjacent communities. As we discuss reauthorization of the Federal Lands Recreation Enhancement Act, we need to better understand how this program is working, and how dwindling Federal appropriations impact recreation fees.

I just want to reference a couple of slides here that show how recreation funding has dropped in the last couple of years. We have to look at the fee program in the context of a budget-constrained environment. Despite what some may think, Federal agencies are rational players. As they begin to see less money from Congress, it is only rational for them to seek other funding from recreation fees. I am not sure that this is what Congress had in mind when we provided agencies with that authority. I am also convinced the American public should have to pay more—should not have to pay more to ride a horse on a trail than a rancher has to pay to graze a cow.

I am eager to hear from our witnesses and gain important information as we go forward. And let me again thank the Chairman for holding this hearing. And I yield back.

[The prepared statement of Mr. Grijalva follows:]

**PREPARED STATEMENT OF THE HONORABLE RAÚL M. GRIJALVA, RANKING MEMBER,
SUBCOMMITTEE ON PUBLIC LANDS AND ENVIRONMENTAL REGULATION**

Thank you, Chairman Bishop, for holding this hearing today. Chairman Bishop should be commended for the time and attention he has paid to Federal lands recreation. I'm encouraged that we are able to broaden our dialogue to include issues that are impacting everyday people.

Since the passage of the Federal Lands Recreation Enhancement Act in 2005, agency actions to collect fees for recreation on public lands have stirred a lot of debate. In my backyard, fees established by the Forest Service for parking on the Mt. Lemon highway became hugely controversial.

Arguing that the Forest Service was illegally charging fees, a group of local citizens sued the Forest Service and prevailed in the case.

I'm interested in hearing more from the agencies regarding their compliance with the court's decision.

Recreation and the money recreation generates from our public lands is important source of revenue for the agencies that manage these lands and the adjacent communities. As we discuss reauthorization the Federal Lands Recreation Enhancement Act, we need to better understand how this program is working and how dwindling Federal appropriations impact recreation fees.

I just want to reference a couple of slides here that show how recreation funding has dropped in the last couple of years. We have to look at the fee program in the context of a budget constrained environment.

Despite what some may think, Federal agencies are rational players. As they begin to see less money from Congress, it is only rational for them to seek other funding from recreation fees.

I'm not sure this is what Congress had in mind when we provided agencies this authority, and I'm also not convinced the American public should have to pay more to ride a horse on a trail than a rancher has to pay to graze his cow.

I'm eager to hear from our witnesses and again want to thank the Chairman for holding this important hearing.

Mr. BISHOP. Thank you. I appreciate that. We are now going to hear from our witnesses. We have only one panel of witnesses today. I think that our staff just fell down with a lack of creativity. This should easily be a seven-panel—all right.

Happy to have you here, and we are all going to hear you at one fell swoop. So I am going to introduce—and I hope I am doing this from left to right, as I look at you—Pamela Haze, who is the Deputy Assistant Secretary for Budget and Finance at the Department of the Interior; Leslie Weldon, who is the Deputy Chief at the U.S. Forest Service; I have Lewis Ledford, who is the Director of North Carolina Division of Parks and Recreation to give us a State perspective; Randal O'Toole, from the Cato Institute, a Senior Fellow who has written much about public lands; Andy Stahl, who is the Executive Director of the Forest Service Employees for Environmental Ethics; and Kitty Benzar, who is the President of the Western Slope No-Fee Coalition.

We welcome you all here. We have your written testimony that is part of the record. We are asking, obviously, for oral testimony in addition to that here. You each have 5 minutes to present your oral testimony. Same for those of you—I think all of you have been here before, but for those of you who don't know the drill, the clock is in front of you. When you start, it will be a green light that after 4 minutes will go to yellow, and then at 5 will go back to red. And please, there are hidden people in the audience that will do nasty things to you if you continue on after the 5-minute mark. And we will just leave it at that.

So, we are happy for your testimony. Can we start with Ms. Haze? And I will just go down the row, if that is OK.

STATEMENT OF PAMELA K. HAZE, DEPUTY ASSISTANT SECRETARY FOR BUDGET, FINANCE, PERFORMANCE, AND ACQUISITION, U.S. DEPARTMENT OF THE INTERIOR

Ms. HAZE. Thank you. Good morning, Chairman Bishop, Ranking Member Grijalva, and members of the Subcommittee. I am very pleased to be here today to testify with this panel of witnesses. I am Pam Haze. My title is Deputy Assistant Secretary for Budget, Finance, Performance, and Acquisition at the Department of the Interior. I work in collaboration with the four bureaus in our Department who operate the Federal Lands Recreation Enhancement program. The bureaus that participate in this program, along with the Forest Service, include the National Park Service, the Fish and Wildlife Service, the Bureau of Land Management, and the Bureau of Reclamation. I want to thank the Subcommittee for holding this very timely hearing to examine the act and discuss the need to re-authorize the program.

Recreation is a significant contributor to the national economy and the economies of communities that surround the lands we manage. It is a major economic driver. In 2012, the Outdoor Industry Association reported recreation activities generate \$646 billion

in spending each year, which translates to 6.1 million jobs. Recreation has many other significant benefits, as we all know, for the Nation, drawing people outdoors to learn, exercise, work, and volunteer. The 400 million visitors to our parks, refuges, and public lands take their positive experiences home, and benefit from the physical activity that promotes health and quality of life.

Of the visits to our public lands, nearly 230 million are to Recreation Enhancement Act sites. These visits and associated travel generate an estimated \$25 billion in economic output, and 210,000 jobs. In 2012, Interior's bureaus collected over \$200 million in recreation fees to pay for the cost of collection and complete over 1,000 programs and projects to improve the experience of our visitors. Fee revenue is largely retained at the sites where it is collected to support recreation visitor programs. We do not use the recreation fee income to substitute for appropriations, but to complement.

Instead, the fee income supplements the budget and allows us to offer many more outdoor experiences to the public than we otherwise could provide. The recreation fee program also allows us to manage visitors at sites where limited access is necessary to protect the health and safety of the visitors. In this declining budget—I very much like the charts you put up there—the fee revenue is critically important to our recreation programs. In very limited cases, we are using fee revenue to operate campgrounds and other sites that were threatened with closure due to the sequester. Declining appropriations and the lapse of authority for the fee program would have very detrimental impacts on recreation opportunities on our public lands.

The recreation fee demonstration program, as you pointed out, was established by the Appropriations Committees in 1996. The Federal Lands Recreation Enhancement Act was enacted in 2005 as part of the Appropriations Act. Interior and the Forest Service have 10 years of experience based on operations under the Federal Lands Enhancement Act, and 8 years operating under the recreation fee demonstration program.

Over these years, we have developed a program that streamlines and simplifies access, and we have built a strong partnership that is shaped by the users of public lands. The agencies use common inter-agency passes, a user-friendly reservation site, *recreation.gov*, and unified reporting. The agencies work very hard to balance the needs of visitors with the availability of amenities and programs.

Visitor satisfaction surveys conducted in the past 3 years have found that most visitors are satisfied with the level of amenities and services, and believe the fees are reasonable. Our actions also reflect the balance we try to maintain in how we operate our programs. Our bureaus continue to offer many recreation opportunities at no cost. For example, the Bureau of Land Management charges recreation fees on less than 1 percent of the lands they manage.

We recognize the importance of our responsibilities for wise stewardship over this program and the resources we collect. In 2008, the National Park Service imposed a moratorium on fee increases. We recently made available a new free military pass for current U.S. military members.

I am running low on time, so I just want to say I really underscore the need for timely authorization. We are reliant on the certainty of the authority. As you mentioned, annual passes, the budget includes a legislative proposal for authorization and provides for a 1-year extension if that is not doable. I urge the Subcommittee to reauthorize the program. Thank you very much.

[The prepared statement of Ms. Haze follows:]

PREPARED STATEMENT OF PAMELA K. HAZE, DEPUTY ASSISTANT SECRETARY FOR BUDGET, FINANCE, PERFORMANCE AND ACQUISITION, U.S. DEPARTMENT OF THE INTERIOR

Chairman Bishop, Ranking Member Grijalva and members of the Subcommittee, thank you for inviting the Department of the Interior to appear before you today to discuss the Federal Lands Recreation Enhancement Act (FLREA) and the recreation fee program.

Every year, over 500 million Americans and visitors from around the world visit our national parks, national forests, wildlife refuges and public lands to hike, bike, fish, camp and otherwise enjoy the abundant recreation opportunities offered on our Federal lands. The enactment of FLREA in 2004 enabled us to enhance those visits with greater recreation opportunities and services by leveraging recreation fees to implement thousands of projects that directly benefit visitors. These projects support public safety, maintain recreation sites, provide eye-opening educational experiences, build informational exhibits, fund interpretive programs, and offer a wide range of recreational and cultural opportunities. FLREA has also fostered an effective multi-agency partnership. As the recreation fee program has matured, the agencies have developed a very collaborative approach to manage the program, gained experience and incorporated input from the public and constituent groups.

Of course, recreation fees are just one source of support for the agencies' recreation programs. Annual appropriations, volunteers, partners, and grants are also vital components to improving and implementing these programs. However, recreation fees are often used to leverage other funding sources to make each visitor's dollar go further. In addition, the recreation fee program supports a variety of government-wide initiatives and underlying Federal goals, including improved health through outdoor recreation, providing opportunities for youth to experience the great outdoors, bolstering the economy, generating jobs, and increasing tourism.

The authority for FLREA is scheduled to sunset in December 2014, and, if it does, no agency will have explicit recreation fee authority because FLREA repealed the recreation fee provisions previously provided in the Land and Water Conservation Fund Act and Recreational Fee Demonstration Program statutes. We are concerned that a potential lapse in this authority will detrimentally impact the agencies' ability to support projects that improve visitor safety, experiences, and opportunities. Furthermore, although the authority will be in place for 2014, beginning this year, the agencies will be faced with challenging decisions as we try to anticipate the future of the program and make decisions about ongoing operations such as issuance of the annual pass.

In order to ensure timely consideration of the need for reauthorization, the President's FY 2014 Budget includes a legislative proposal for Congress to permanently authorize FLREA. It also includes language suitable for an annual appropriations bill to extend the authority through 2015.

OVERVIEW

Enacted in December 2004, FLREA authorizes five agencies to collect and expend recreation fees on lands they manage: the Department of the Interior's Bureau of Land Management (BLM), Bureau of Reclamation (Reclamation), National Park Service (NPS), and U.S. Fish and Wildlife Service (FWS), and the U.S. Department of Agriculture's Forest Service (USFS). Each of the agencies has a distinct mission. However, all the agencies share the goal of providing quality recreation experiences to the public. By providing a single recreation fee authority for the agencies, FLREA has enhanced customer service, efficiency, and consistency in fee collection and expenditure and establishment of national fee policies, such as fee-free days.

FLREA enhances the agencies' ability to provide a sustainable and equitable system for providing the experiences that visitors expect and anticipate: scenic beauty, public safety, transportation infrastructure, high quality visitor facilities, cleanliness, fun, educational displays and programs, and interaction with rangers and other employees who support visitor programs and activities. FLREA provides "fee

collection authority" allowing the agencies to collect recreation fees, and "fee retention authority" requiring 80 percent to 100 percent of the recreation fees collected at parks, refuges, and other Federal lands to be spent where they are collected.

Recreation fees collected under FLREA have funded thousands of projects that directly benefit visitors. Details of the recreation fee program and specific projects funded by FLREA across the agencies may be found in the three Triennial Reports the agencies have submitted to Congress detailing the implementation of the recreation program across the agencies. A copy of the May 2012 Triennial Report may be found at http://www.doi.gov/ppa/upload/FLREA_Triennial_Report_2012_FINAL.pdf.

The benefits of the program extend far beyond the immediate improvement to recreation sites. The approximately 383 million visits to DOI-managed lands in 2011 contributed an estimated \$42.3 billion in economic output to the surrounding economies through trip-related spending. The approximately 230 million visitors to FLREA sites in 2011 contributed an estimated \$25.2 billion of the \$42.3 billion total. Recreation-related spending on DOI-managed lands supported an estimated 352,000 jobs in the communities surrounding public lands, of which an estimated 210,000 are related to FLREA visitation.

An additional benefit of this program to our visitors has been brought home in a very real way this year. The sequester required by the Budget Control Act resulted in reductions of \$881 million in the Department of the Interior's programs. Most relevant is the reductions to our operational programs, which have caused us to reduce staffing of permanent and seasonal employees, reduce youth partnerships and cut back on visitor programs and services. In enhancing our recreational programs, the recreation fee program has provided much needed stability in services and opportunities for our visitors.

Recreation Fee Sites

The five agencies that participate in the recreation fee program manage thousands of recreation fee sites across the Nation. The program provides needed flexibility for these agencies, each with unique authorizations, geographies and management responsibilities, to operate effectively. NPS and FWS entrance fee sites typically encompass entire management units, such as Bandelier National Monument in New Mexico, and St. Marks National Wildlife Refuge in Florida. BLM, USFS, and Reclamation standard amenity recreation fee sites typically consist of sites within management units that have been significantly developed in response to visitors' demand for facilities and services, such as the camping amenities associated with BLM's John Day Crossing Recreation Site on the John Day River in Oregon, and activities at Reclamation's New Melones Lake Recreation Area in California.

In addition to "entrance fees" charged at sites managed by FWS and NPS, and "standard amenity recreation fees" charged at sites managed by BLM, Reclamation, and USFS, the agencies also charge "expanded amenity recreation fees" for certain amenities and services. FLREA also authorizes the agencies to issue special recreation permits for specialized recreational uses, such as use of off-highway vehicle trails, recreation events, and outfitting and guiding, and to charge fees for those permits.

While recreation fees provide a source of funding to support recreation at many developed and popular areas, the agencies continue to offer a huge number of recreation opportunities at no cost. BLM manages over 245 million surface acres of the United States, and charges recreation fees on less than 1 percent of that acreage. Over 93 percent of the 464 FWS refuges that are open to the public have free entry. Of the 401 units of the National Park Service, 224, more than half, do not charge any FLREA fees. Reclamation charges recreation fees authorized by FLREA at only one site, New Melones Lake.

IMPACTS OF IMPLEMENTATION

Interagency Cooperation and Partnerships

The interagency nature of the recreation fee program has created efficiency and consistency across agencies and promotes good customer service. The interagency cooperation created by FLREA has been particularly successful. An interagency workgroup comprised of managers from all participating agencies, meets regularly to coordinate the interagency pass program including interagency fee free days; the development of guidance, standard operating procedures, and training; and the implementation of the "Share the Experience" Photo Contest. In addition members of the workgroup also serve on the committee that oversees programmatic and financial aspects of the *Recreation.gov* program.

Close coordination allows the agencies to work together to implement changes to the program, such as the recent implementation of the free interagency pass for current U.S. military members, reducing the number of hours for the volunteer pass or adjusting the number of fee free days, in order to respond to external influences such as the economic downturn and its effects on recreation, and to communicate with the public, other agencies, and Congress. FLREA acknowledges and allows for differences among the agencies. This is important because the agencies have different missions, both in the services they provide to the public and in the services the public expects from the agencies.

FLREA also promotes collaboration with the communities in which these lands are located in planning, public outreach and operations. Each agency has specific requirements for conducting outreach to the public, key constituency groups, local government and civic organizations and Congressional representatives. FLREA provides agencies authority to develop cooperative agreements with various entities for law enforcement activities and implementation of the interagency pass program, among other activities. This enables effective partnerships that enhance visitor experiences and allows the program to reach new audiences in new ways.

Interagency Pass Program

The interagency pass program is a significant success of the recreation fee program. The interagency pass covers many recreation opportunities on lands managed by each of the agencies across the Nation and simplifies the way in which the public can access public lands and pay for amenities. The interagency pass program includes an Annual Pass (including the new military version), a Senior Pass for those 62 and over, an Access Pass for the permanently disabled, and a Volunteer Pass for those who donate 250 hours of their time working with land management agencies. These four passes are a convenient and cost-efficient way for people to visit multiple agencies' recreation fee sites. The passes serve multiple purposes. They are durable, convenient to purchase through the Internet, by phone, by mail, or in person at fee units, and are collectible, with a new image chosen each year from the "Share the Experience" Photo Contest. The passes also signify the owners' support for Federal recreation lands, and they provide opportunities for partnership and education.

A single pass valid across all FLREA agency sites represents a significant customer service improvement over the previous system of multiple passes for different agencies. The experience for customers is enhanced by uniform interagency standard operating procedures for selling and honoring passes consistently among the FLREA agencies. These procedures address ordering instructions, pass issuance parameters, eligibility requirements, pass validation, and processes for using third party vendors to market and sell passes.

In addition, in 2012, to honor the sacrifices that military service members and their families make for this country, the agencies started offering free interagency Annual Passes to all current U.S. military members (including reservists) and their dependents.

While allowing for a collaborative, multi-agency approach to management, FLREA allows flexibility for the agencies to set the price of the Annual Pass. While the price has remained at \$80 since its launch in 2007, this flexibility allows for future adjustments to ensure that the pass price is reasonable and appropriate. The public's input is sought on price changes and there are protections in the FLREA program to ensure there are no disadvantages to the local communities.

Recreation.gov

Another interagency success is *Recreation.gov*. In recent years, the Federal Government has increasingly emphasized the use of contemporary technology and communication tools to improve the usability and access of Federal information and services. In 2007, with the use of recreation fees, Federal agencies launched *Recreation.gov*, the Federal Web site which provides convenient one-stop access for those making reservations, securing permits, and building itineraries for travel to Federal recreation sites around the country. All five FLREA agencies participate in this program. NPS also uses *Recreation.gov* for several lottery drawings and permits, including the White House Christmas Tree Lighting event, the White House Easter Egg Roll, Denali National Park road permits, and permits for Yosemite's National Park's Half Dome. *Recreation.gov* also supports the National Travel and Tourism Strategy by offering international visitors access to travel itineraries and easy-to-find information about destinations on our public lands and waters. There are thousands of facilities on *Recreation.gov* and each year the inventory is growing. Recent improvements to *Recreation.gov* include a new Web site design, social media and

smart phone applications. There are also new linkages to other tourism and recreation Web sites.

Since its launch, *Recreation.gov* has received nearly 1.1 billion page views and has processed over 4.8 million reservations. The Web site experienced a 23 percent increase in traffic between 2009 and 2011, indicating growing public awareness and use of the site. In 2011, over 890,000 reservations were made for FLREA sites on *Recreation.gov*, resulting in nearly \$41.6 million in revenue. Recreation fees are vital in supporting the costs for *Recreation.gov*.

Visitor Support and Public Participation

Visitor support and public participation are integral to the recreation fee program. Visitor satisfaction surveys conducted in the past 3 years by BLM, FWS, NPS, and USFS have found that most visitors (about 90 percent of respondents) are satisfied with the level of amenities and services provided and believe that the recreation fees they pay are reasonable. FLREA promotes visitor satisfaction and enhances recreation facilities and services by authorizing fee collection and reinvestment for these amenities and services.

To ensure robust public participation, each agency has developed policies consistent with FLREA to ensure that the public receives notification about agency proposals and has an opportunity to provide input to agencies as they consider new recreation fees and changes to existing recreation fees. Avenues for public input include community meetings, Federal Register notices, Recreation Resource Advisory Committees (for BLM and USFS recreation fees), and requests for public oral and written input from localities near developed recreation sites. Years of experience with public input on recreation fee decisions indicates that the agencies are providing sufficient opportunities for interested parties to provide input. The BLM and USFS have also learned that there are opportunities to improve efficiency of public input, particularly with respect to Recreation Resource Advisory Committees.

Recreation Fee Accounts

FLREA requires agencies to establish special accounts for recreation fee revenues, making the funding available until expended. In many parts of the United States, a large proportion of visitation, and therefore recreation fee revenue collection, occurs during the last quarter of the fiscal year (July through September), which makes it difficult to expend funds in the same fiscal year they are collected. The ability to spend recreation fees over multiple fiscal years enables responsible and effective use of fee revenue, and permits the agencies to expend funds over multiple years for large contracts, projects, and expenditures requiring significant investment for implementation.

The majority of fees are retained at the site where they are collected, and the agencies retain some discretion to distribute funds to recreation fee sites based on agency-wide needs. Currently, agencies expend 80 percent to 100 percent of recreation fees at the sites where they are collected. Agencies have various allocation methods and policies to ensure fair and equitable use of fees. Our agencies provide robust oversight of recreation fee revenue at the local, regional and national levels.

The agencies share the objectives of fair and transparent revenue collection, controlling the cost of collection while maintaining consistently high levels of service, and avoiding accumulation of unobligated revenues. Average annual FLREA revenue for each agency from over the past 3 fiscal years (2010–2012) is as follows: NPS—\$171.3 million; USFS—\$65.4 million; BLM—\$17.1 million; FWS—\$5.1 million; and Reclamation—\$547,000. In FY 2011, the cost of fee collection across all FLREA agencies was 14.9 percent of gross fee revenues. In FY 2011, agencies obligated \$315.0 million, or 68 percent, of the \$461.5 million available to them.

Each agency has developed procedures and tools to ensure accountability in administration of the recreation fee program, including guidance documents, planning processes, requirements for reporting, audits, and equipment upgrades.

Funded Projects

Since 1996, over \$2.5 billion in recreation fees have been reinvested in thousands of recreation-related projects at agency sites. FLREA authorizes agencies to expend recreation fees on:

- Repair, maintenance, and facility enhancement related directly to visitor enjoyment, visitor access, and health and safety;
- Interpretation, visitor information, visitor services, and visitor needs assessments;
- Habitat restoration directly related to wildlife-dependent recreation including hunting, fishing, wildlife observation, and photography;
- Law enforcement related to public use and recreation;

- Direct operating or capital costs associated with the recreation fee program and;
- Fee management agreements.

From FY 2009 through 2011, recreation fees paid for approximately 3,775 projects at NPS sites, 1,000 projects at FWS sites and 1,403 projects at BLM sites. For example, recreation fees have supported health and fitness projects, projects associated with the America's Great Outdoors Initiative, and the First Lady's "Let's Move" program. The NPS has partnered with numerous youth organizations through the Public Land Corps for projects that mentor and employ youth who gain valuable experience repairing and constructing trails, and working as resource interns. Recreation fees have also been used to improve accessibility and provide barrier free access to park sites. And, for managing large numbers of weekend visitors, BLM has leveraged recreation fees for emergency medical services, search and rescue, education efforts of proper use of off-highway vehicles, and law enforcement at sites such as Imperial Sand Dunes in California. Numerous additional examples of these projects are found in the 2012 Triennial Report.

CONCLUSION

The Federal Lands Recreation Enhancement Act enables agencies to provide enhanced recreation experiences at recreation sites around the country managed by BLM, FWS, NPS, Reclamation, and USFS. FLREA strengthens the connection between visitors and the lands they cherish by requiring that the fees they pay benefit the sites they visit. Thousands of projects, large and small, have been supported by FLREA fees since 2004.

FLREA is a key component of our recreation programs and works in balance with the programs funded through appropriations to sustain America's lands and resources. The agencies manage recreation areas in every State, and many of these areas are available to the public free of charge. Every year, more than half a billion visitors from across the country and around the world enjoy the educational, exciting, relaxing, and fun opportunities that the agencies offer. These visits to Federal lands yield tens of billions of dollars in tourist spending that generates hundreds of thousands of jobs across the United States.

The Department supports the permanent authorization of FLREA. The sunset of FLREA would detrimentally impact agencies' ability to support many recreation fee projects that improve visitor safety, experiences, and opportunities; allow for key partnerships; and provide key programs such as *Recreation.gov*. Some opportunities, such as certain developed campgrounds or interpretive tours may be closed or discontinued. New facilities and upgrades to existing facilities may be delayed. Law enforcement patrols may be reduced. Visitors may encounter fewer staff to educate and assist them.

In the 2012 Triennial Report, the agencies identified several areas where changes to the program could result in more effective service to recreation visitors and the public at large. These areas include adjustments to the BLM and USFS public participation processes, possible expansion of the program beyond the current agencies, reviewing interagency pass benefits, and utilization of existing and new technologies to improve visitor services and agency operations. While we believe that these areas should be considered as the Committee considers permanent authorization of FLREA, we believe that FLREA is highly effective as enacted.

The Department supports the recreation fee program and has found that FLREA facilitates efficiency, consistency, and good customer service by enabling interagency cooperation and public participation. Recreation fee authority has been a vital component of our Department's ability to serve as effective stewards of the public lands we treasure.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions.

Mr. BISHOP. Thank you. You timed that brilliantly, and no one had to get nasty with you.

[Laughter.]

Mr. BISHOP. Ms. Weldon?

STATEMENT OF LESLIE WELDON, DEPUTY CHIEF OF THE NATIONAL FOREST SYSTEM, FOREST SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Ms. WELDON. Thank you, Mr. Chairman and Ranking Member Grijalva, and members of the Subcommittee. I really appreciate the opportunity to appear before you today to provide the Department of Agriculture's perspective on the Federal Land Recreation Enhancement Act, which I will refer to in my statement as "the act." And you have our full testimony.

The national forests and grasslands provide a great diversity of recreation opportunities that connect people with nature and unmatched variety of settings and activities. Each year, approximately 166 million visitors come to the national forests and grasslands to hike, bike, hunt, fish, use off-road vehicles, participate in shooting sports, view wildlife, and ski. And these opportunities contribute about \$13.6 billion to the Nation's gross domestic product each year, and support approximately 205,000 jobs. Many of these jobs are located in rural communities.

We constantly strive to enhance the experiences of visitors to the national forest system lands in our management of recreation facilities and programs. To achieve this, we rely on five principal sources of support: appropriated funding; recreation user fees authorized under the act; private service providers such as concessionaires and outfitters and guides; as well as lots of help from partners and volunteers. Fees have long been a part of the history of the Forest Service. However, as Pam said, it wasn't until 1996 that the Forest Service was first able to retain fees, rather than deposit them into the Federal treasury.

Along with appropriated funds and contributions from our volunteers and partners, rec fee revenues authorized under the act are a key component of sustainable funding for many developed recreation sites. In fact, 95 percent of the recreation user fees collected on the national forest or grasslands stay at that site to be reinvested into sites and services.

From 2005 to 2012, the Forest Service has collected more than \$480 million under this act. The Forest Service has spent more than 450 million on improving recreation facilities and services at the sites where fees were collected. The remaining funding are obligated for future projects and administration.

Rec fee revenue is also often leveraged through partnerships through communities and nonprofit organizations, which helps to double and sometimes triple the value of the dollar collected for certain activities. In addition, these investments support outfitter and guide businesses, which are an important part of our local tourism economies.

Most rec fee revenues direct benefits to visitors through recreation services and amenities such as repair or replacement of deteriorated facilities like campsites, restrooms, motorized, and non-motorized trails. In addition, revenue is used for everything from improving visitor services, providing interpretive activities, and boat launches, to removing hazardous trees in campgrounds. The revenue is also used to support seasonal employment, youth-oriented work, and volunteer opportunities.

We found that most visitors support recreation fees. In our most recent round of our national visitor use monitoring survey, 83 percent of respondents reported that they were very satisfied or satisfied with the value they received for the fees they paid. Visitors consistently comment that they are willing to pay reasonable recreation fees if they know the money will be used to improve the sites they are visiting.

In the 10 years since the act has passed, we have learned a great deal about what has worked and what needs to be improved, and we have continued to improve on how we collect recreation fees to deliver services and take care of facilities. For example, in response to concerns regarding standard amenity recreation fees that are charged for areas with multiple recreation sites, in 2011 the Forest Service reviewed all 97 of these areas, and developed a proposal to eliminate 75 percent of these areas and reduce the size of most of the remaining areas. As a result, we have been able to contract and concentrate the impact of the program.

Additionally, in 2011, the Forest Service reviewed all of our rec fee proposals at the national level to ensure they are consistent across the entire system. And to assure accountability, we require all units to generate yearly reports on recreation fees and expenditures.

Continuation of the act is critical to the Forest Service and other Federal land management recreation programs. Because the act repealed the rec fee provisions in the Land and Water Conservation Fund Act and recreation fee demo statute, the act is a sole recreation fee authority for the Forest Service and Interior agencies.

We would like to thank you for the opportunity to share with you how the Forest Service has implemented the program, and very much look forward to working with you, and are ready to answer your questions. Thank you very much.

[The prepared statement of Ms. Weldon follows:]

PREPARED STATEMENT OF LESLIE WELDON, DEPUTY CHIEF OF THE NATIONAL FOREST SYSTEM, FOREST SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Chairman Bishop and members of the Subcommittee, thank you for the opportunity to discuss the Federal Lands Recreation Enhancement Act (FLREA). I am Leslie Weldon, Deputy Chief of the National Forest System, speaking today on behalf of the U.S. Department of Agriculture.

The authorities in FLREA are valuable tools that allow us to improve recreation facilities and provide quality visitor experiences across National Forest System lands. The Forest Service and the Department of Interior agencies are able to invest in upkeep and improvements at sites that visitors use and enjoy. Through our collective mission with the U.S. Department of the Interior, we provide the American public and visitors from around the world with outstanding recreation opportunities on Federal lands. Since the enactment of FLREA in December 2004, we have made tremendous progress in accomplishing our mission. While we acknowledge some challenges associated with implementing FLREA, we continue to address these concerns in implementing the law as it was intended.

Before speaking specifically about FLREA, it is important to establish the context of the recreation program within the Forest Service. The National Forests and Grasslands provide the greatest diversity of outdoor recreation opportunities in the world, connecting people with nature in an unmatched variety of settings and activities. Each year approximately 166 million visitors hike, bike, ride horses, and drive off-highway vehicles on these lands. They picnic, camp, hunt, fish, enjoy recreational shooting, and navigate waterways. They view wildlife and scenery, and explore historic places. They glide through powder at world class alpine ski resorts and challenge themselves on primitive cross-country ski or snowmobile routes. These opportunities contribute about \$13.6 billion to the Nation's gross domestic product each

year and support approximately 205,000 jobs. Many of these jobs are located in rural communities.

Outdoor recreation in the National Forests and Grasslands contributes greatly to the physical, mental, and spiritual health of individuals and bonds family and friends. Outdoor recreation instills pride in our heritage and provides economic benefits to communities, regions, and the Nation. Indeed, outdoor recreation has become an essential part of American culture. Through these activities outdoor recreation provides physical challenge, requires development of life-long skills, provokes interest and inquiry, and inspires wonder, respect and awe of the natural world.

In the same way, participation in recreational activities is the way that most Americans come to know their National Forests and Grasslands, making it an important portal for understanding the meaning, history, and relevance of Federal lands as a whole.

NATIONAL FORESTS AND GRASSLANDS ARE THE NATURAL BACKYARDS FOR MANY COMMUNITIES THROUGHOUT 44 STATES AND TERRITORIES

National Forests and Grasslands constitute 30 percent of all federally owned lands. In the Southern Region of the Forest Service, where only 5 percent of land is federally managed, National Forest System lands provide nearly half of the outdoor recreational opportunities on Federal-owned lands. Not only does the Forest Service provide one of the most accessible outdoor recreation opportunities from a geographic standpoint, but the agency has developed extensive accessible facilities and opportunities as required under the Americans with Disabilities Act. At 54 million, people with disabilities are the largest minority in the United States, a demographic that cut across all ages, races, and genders. Accessibility has been and continues to be an integrated part of the way the Forest Service manages recreation opportunities in order to continue to serve people.

THE FOREST SERVICE OFFERS UNIQUE WAYS TO EXPERIENCE NATIONAL FOREST SYSTEM LANDS THROUGH HISTORIC CABINS AND LOOKOUT RENTALS UNDER FLREA

Many people seek relief from the stress of their daily lives through the unique experience of renting a Forest Service cabin. These recreation rentals once served as ranger homes, guard stations, or fire lookouts. Located in idyllic settings, each rental has its own distinct character. There are hundreds of rentals available across the Nation: remote Alaskan fly-in cabins, Arizona's "Rooms With a View," hike-in only mountain top lookouts, and many more. They can all be found and rented on www.recreation.gov. These retrofitted historic facilities have allowed for neighboring rural communities to package their heritage assets with these sites to generate heritage tourism opportunities.

Revenue from renting these cabins is invested in maintenance and emergency repairs of the buildings. Some buildings require comprehensive restoration, and recreation fee revenues are often leveraged with grants, volunteers, and job training programs to accomplish this work.

THE FOREST SERVICE MANAGES 158,000 MILES OF TRAILS ACROSS THE NATION

These trails require significant upkeep year after year. Natural erosion, fire, wind damage, and user damage require significant yearly investment. Deterioration of facilities like bridges, steps, and signs are safety concerns that must be addressed to ensure these unique resources remain available to the public.

Recreation fee revenue is collected for use of developed recreation sites at trailheads that meet the requirements in FLREA for charging a recreation fee. These revenues help fund trailhead facilities and repair, maintenance, and enhancement of closely associated trails enjoyed by visitors. These funds in no way cover these costs, but they can make a significant difference. For example in 2012, the Uinta-Wasatch Cache National Forests were able to use \$17,500 in recreation fee revenue to leverage a \$20,000 grant from the State of Utah to repair almost 70 miles of the Fehr and Lake Country trails. Work included clearing trees that blocked the trails, cutting back shrubs and other encroaching greenery, creating 24 rock steps to help prevent erosion, and building over 600 feet of boardwalk over soggy riparian areas.

OUTFITTERS AND GUIDES ARE ONE OF THE MANY PARTNERSHIPS AUTHORIZED UNDER FLREA

Outfitters and guides are key partners in delivering diverse, quality outdoor recreation experiences to National Forest visitors. FLREA authorizes the Forest Service to retain permit fees that authorize approximately 5,000 outfitters and guides across

the Nation to maintain small businesses through operation on National Forest System lands. These funds are used for management activities that benefit both outfitters and guides and National Forest visitors, such as repairing trails, boat launches and other facilities, supporting environmental analysis associated with outfitter and guide use, monitoring outfitter and guide camps to ensure they are properly built, monitoring for illegal outfitters and guides, and administering permits.

As an example, Sixmile Creek in Alaska is popular for sport-fishing, rafting, and kayaking. However, over the years, conflicts and safety concerns arose among anglers, outfitters and guides, and dispersed campers from limited parking at a day use site. Outfitters and guides need enough space to fit vehicles and trailers and room to haul rafts out of the creek. The space was inadequate, and heavy use of the foot trail to the river was causing resource damage.

To address these concerns, the Seward Ranger District held two meetings with three rafting companies authorized to operate on Sixmile Creek to discuss long-term maintenance of the site and the initial conceptual layout for redesign of the site. The site was redesigned collaboratively by the Forest Service and the three authorized outfitters and guides, with public input. The redesign includes a developed raft launching zone, a raft loading and unloading area, an improved traffic pattern, a picnic area, day use parking spaces, and an improved trail to the creek. The improvements were completed in the spring of 2012. Recreation fee revenues from outfitters and guides contributed to this project. In addition, outfitters and guides now partner with the Forest Service to provide long-term maintenance of the site.

We constantly strive to enhance the experience of visitors to National Forest System lands by maintaining high-quality recreation facilities and programs. To achieve this, we rely on five principal sources of support: (1) appropriated funding, (2) recreation fees authorized under FLREA, (3) private service providers such as concessioners and outfitters and guides, (4) partnerships, and (5) volunteers.

FLREA gives agencies the authority to retain and reinvest funds received at recreation sites or areas that meet the criteria for charging recreation fees enumerated in the law, as well as the authority to retain and reinvest special use permit fees for outfitters and guides, which helps promote small business.

Recreation opportunities on National Forest System lands range from highly developed sites to undeveloped areas that are available to the public free of charge. Approximately 98 percent of National Forest System lands have dispersed recreation opportunities that range from camping, hiking, fishing, hunting, and much more. There are more than 20,800 recreation sites on National Forest System lands, 68 percent of which are not subject to a recreation fee. Of the 20,800 sites, approximately 4,000 are subject to fees charged under FLREA, and 2,300, such as concession campgrounds, are subject to fees charged under another authority. Most of these 6,300 fee sites are campgrounds and cabin rentals, but they also include developed boat launches, picnic sites, off-road vehicle staging areas, swimming areas, developed recreation sites at trailheads, target ranges, and other developed recreation sites and areas.

Fee retention provides an immediate, stable, and flexible source of funding that has been and continues to be a fundamental component of a sustainable funding model. In addition, FLREA revenues leverage other sources of funding, including funds from grants and work performed by volunteers. Funding collected through FLREA, which can be retained and expended at the developed recreation sites where it is collected, is vastly different from funding received through appropriations. Besides being predictable and subject to obligation for future years, funding collected through FLREA is available for any operation, maintenance, and improvement costs at fee sites. Funding received from visitor fees is thus an investment in the developed recreation sites they use. The vast majority of this funding, 80 to 95 percent, is reinvested directly into recreation fee sites.

Most recreation fees collected are used to provide recreation services and amenities to the public, such as repair and replacement of deteriorated facilities like campsites, restrooms, picnic tables, and trails. In addition, recreation fee revenue has been used to improve visitor centers, water and sewer systems, corrals, cabins, remote camps used by outfitters and guides, boat launches, and swimming areas. In addition, recreation fee revenue funds removal of huge volumes of trash and graffiti, non-native and invasive plants, and hazard trees and installation of recycling, solar, and other sustainable facilities.

Under FLREA, the Forest Service collects approximately \$66 million in recreation fee revenues. This total includes approximately \$42 million for use of developed recreation sites such as campgrounds, cabins, visitor centers, and picnic areas; \$12 million in fees for reservation services provided through *recreation.gov*; \$10 million from recreation special use authorizations, primarily for outfitting and guiding and recreation event permits; and \$2 million from the sale of America the Beautiful—

the National Parks and Federal Recreational Lands Pass. Because FLREA repealed the recreation fee provisions in the Land and Water Conservation Fund Act and Recreational Fee Demonstration Program statute, FLREA is the sole recreation fee authority for the Forest Service. If FLREA expires in December 2014 without reauthorization, the Forest Service and Interior agencies will have no explicit recreation fee authority. These agencies will face serious ramifications as early as this calendar year. The interagency pass program and *Recreation.gov* both operate approximately a year in advance. Operations include pass ordering and the annual photograph contest. The Forest Service and the Department of the Interior agencies will have to address the issuance of annual passes beginning on December 8, 2013, as they will not be valid for a full year. *Recreation.gov*, which is funded in part through reservation fees authorized by FLREA, will also be impacted if REA once FLREA sunsets.

The annual cost of operating and maintaining existing developed recreational facilities within National Forests and Grasslands exceeds \$183 million. Likewise, the annual cost of operating and maintaining National Forest System trails exceeds \$88 million in direct costs. The loss of FLREA would also represent a significant loss of revenue to maintain and improve recreational facilities and services. Even if appropriations are prioritized for expenditure on developed recreation sites, the Forest Service anticipates that these sites would deteriorate and that some sites would have to be closed due to an inability to meet health and safety standards, for example, due to lack of repairs to water and sewer systems.

Moreover, National Forest recreation services and amenities are important to local communities for quality of life, economic growth, and job creation. Any disruption of the level of funding for developed recreation sites could impact local jobs and purchases at local businesses. Recreation fee revenue is leveraged in partnership with communities, recreation groups, non-profit organizations, and others, often doubling or tripling the value of the dollar collected. Recreation fee revenue is often used to support seasonal employment, youth-oriented work, and volunteer opportunities. Sites maintained for recreation use are also often used to support environmental education for local classrooms. These benefits would all be impacted if FLREA is not reauthorized.

In the most recent round of National Visitor Use Monitoring, 83 percent of the respondents reported being “very satisfied” or “satisfied” with the value they received for the fees they paid. Visitors consistently comment that they are willing to pay reasonable recreation fees if they know the money will be used to improve the sites they are visiting. Because the funds are retained and spent for services, maintenance, and improvement of the sites where they were collected, visitors can see how their fees contribute to a quality recreation experience.

Fee retention has proven vital to providing the many unique outdoor recreation opportunities on National Forest System lands.

OTHER IMPORTANT ASPECTS OF FLREA

FLREA requires various forms of public participation in the establishment or modification of recreation fees and fee sites. For the Forest Service and Bureau of Land Management, public participation includes Recreation Resource Advisory Committee (Recreation RAC) review of fee proposals to establish, change, or eliminate recreation fees and fee sites and advance notice in the *Federal Register* of establishment of a new recreation fee area. Since 2005, the Forest Service has submitted approximately 1,250 recreation fee proposals to Recreation RACs. The vast majority of these proposals were for fee increases at campgrounds operated by the Forest Service, but they also included new or increased fees at cabin rentals and day use sites and elimination of fees at some sites. After deliberation, Recreation RACs recommended proceeding with all but approximately 30 of the 1,250 proposals. The Forest Service will continue to work with Recreation RACs on recreation fee proposals. The Recreation RACs have provided opportunities for public input on recreation fee proposals, but have also posed challenges in scheduling review of proposals due to member resignations and expired appointments.

In sum, the 10-year FLREA authority has provided a highly effective period of stability and consistency for both visitors and Federal land managers. FLREA authorizes Federal agencies to charge, retain, and spend fees for a range of recreation sites that meet certain requirements. FLREA provides agencies the authority to develop cooperative agreements with various entities for activities such as law enforcement and implementation of the interagency pass program.

LESSONS LEARNED

The Forest Service appreciates having the authority to charge and retain recreation fees for expenditure at the sites where they are collected. From 2005 through

2012, the Forest Service has collected more than \$480 million in recreation fee revenue and has spent more than \$450 million on improving recreation facilities and services at the sites where fees are collected. The remaining funds are obligated for future projects.

Recreation fee revenue is a key component, along with appropriated funds and contributions from volunteers, partners, and grants, of sustainable funding for developed recreation sites. However, we recognize that visitor contributions are not equivalent to appropriated funds. Visitors and outfitters and guides who pay recreation fees must see a direct benefit from their investment.

There have been some concerns about how the Forest Service has implemented recreation fees under FLREA, and we have made great strides to address those concerns.

For example, the Forest Service now requires all administrative units to generate yearly reports on recreation fee revenues and expenditures. In response to concerns regarding standard amenity recreation fees charged for areas with multiple developed recreation sites, in 2011, the Forest Service reviewed all 97 of these areas and developed proposals to eliminate 75 percent of these areas and reduce the size of most of the remaining 25 percent. As a result, many recreation sites would be eliminated from the recreation fee program. Also as of 2011, the Forest Service is reviewing all recreation fee proposals at the national level.

In addition, in 2011, the Forest Service began implementing a point-of-sale system to enhance customer service and accounting of recreation fee revenue. The system is being implemented in phases, starting with sites that manage the highest volume of recreation fee revenue. This system modernizes and streamlines the financial process. Whether funds are collected in fee tubes or over the counter, the agency will be able to account for the funds in the financial system in as little as 2 to 4 days for credit card and check transactions and within one to 2 weeks for cash transactions. The financial system allows for real-time reporting, so that recreation fee revenue can be made available quickly for expenditure on operation, maintenance, and improvement of recreational facilities.

CONCLUSION

FLREA is scheduled to sunset in December 2014. Continuation of FLREA is critical to the Forest Service's and other Federal land management agencies' recreation programs. FLREA has enabled the Forest Service to provide consistently excellent recreation experiences at recreation sites across the United States. FLREA has strengthened the connection between visitors and the lands they cherish by requiring that the fees they pay benefit the sites where the fees were collected. Thousands of projects, large and small, have been supported by FLREA fees since 2004.

FLREA facilitates efficiency, consistency, and good customer service by enabling interagency cooperation and public participation. The agencies strive to manage visitor contributions effectively, efficiently, and in an open and collaborative manner. The administrative and policy changes that the Forest Service has introduced since 2004 demonstrate its commitment to improve the recreation fee program, both in terms of customer service and good governance.

The agencies plan projects funded by recreation fees years in advance. Administration of the recreation fee program requires significant up-front investment to implement customer service enhancements and to ensure that the interagency pass is designed, produced, and shipped on schedule. The agencies work for years to develop mutually beneficial relationships with public and private sector partners at the local and national levels. Reauthorization of FLREA before it expires on December 8, 2014, would allow the program to continue in a cost-effective manner and without disruption of visitor services.

Thank you for this opportunity to discuss the Forest Service's implementation of FLREA and its critical importance to recreation opportunities on Federal lands. I would be happy to answer any questions you have.

Mr. BISHOP. Thank you.

We will now turn to the Director from North Carolina. Mr. Ledford?

STATEMENT OF LEWIS LEDFORD, DIRECTOR, NORTH CAROLINA DIVISION OF PARKS AND RECREATION

Mr. LEDFORD. Good morning, Chairman Bishop and Ranking Member Grijalva. Thank you, Members, for allowing me to speak

to you today. I am Lewis Ledford, the Vice President of the National Association of State Park Directors. I also serve on the board of directors for the National Recreation Parks Association. But again, my full-time job is being Director of the State Parks in North Carolina, and it has been my avocation for more than 30 years.

The National Association of State Park Directors met officially for the first time in 1962 in Illinois Beach State Park, and our primary mission is to promote and advance the State Park systems across America for their own significance, but also for the important contributions they make to the Nation's environment, health, economy, and its heritage.

As you might expect, there is quite a diversity between the State Park systems in our country. You can go from the range of California that has 279 areas, a million-and-a-half acres, over 5,000 personnel, to, in my State, we have 74 areas, over 200,000 acres, and a \$34 million budget with about 1,200 personnel. All together, the State Parks have 8,200-plus areas, comprising nearly 15 million acres, with about 50,000 personnel, and costing the States—fees are about \$736 million in general funds operations.

As we have heard from our Federal colleagues, funding is an issue across the country at the States, just as it is for them. For many years, the money from the State general funds going to State parks has been declining. For example, in 2009 over \$920 million was available to the States. And this past year, in 2012, the amount was \$736 million. We do estimate, though, that the annual economic impact nationally of our State parks system is more than \$20 billion.

Beyond the State revenue funds, financing of parks comes mostly from other sources, including dedicated funding sources, park-generated revenue, or user fees. Generally speaking, these have provided for a consistent source of revenue for the State parks. Some States, in terms of their dedicated funds, range from boating tax in California to Colorado having a lottery proceeds in the Great Outdoor Colorado Trust. In Arkansas there is $\frac{1}{8}$ of 1 percent of the State sales tax that goes to the State park system. Some 35 States have a dedicated funding source for the operation of their parks, whether it is land acquisition and capital construction, or if it is the general operations.

User fees range the typical gamut that you would think of, from various admission and entrance fees to senior and annual passes, rentals of facilities and campsites, and activities that require specialized equipment: golfing, boating, horseback riding. Two States are trying to operate their park systems almost entirely on their revenue, but we have yet to see that is going to be successful. Nationally, the States bring in 41 percent of their operating cost through dedicated funding or fees.

A lot is being made by the public-private partnership, and we are certainly working with that. The States that have experience with that have had some difficulty in the service that has been provided, and contracts have not been renewed, primarily due to visitor dissatisfaction with the quality of facilities being maintained. I think we need to continue that study, that endeavor to evaluate that. But it is yet to be proven as a long-term viable operation or solution,

because of the significant cost of managing and caring for significant natural and cultural resources.

Ultimately, I believe that we are all proud to say that the State and the national parks combined together combine for over a billion visitors, generating \$50 billion in economic impact. In my written testimony, I have provided you a number of charts and tables that show a lot about the revenue, the fees, and how those are collected across the States.

As I conclude my remarks relating to the issue of funding for public lands, I would also like to mention a critically important Federal program for the State parks, and that is the Land and Water Conservation Fund. I would encourage you to recognize that, for 48 years, the LWCF stateside assistance program has provided 40,000 grants, and been matched dollar-for-dollar locally, creating a total of over \$7.2 billion, extending to every county in America. We all recognize your limitations on the Federal budget, but agree that it is very important for those stateside assistance to provide what we need to manage the parks and local government areas across our country.

Chairman Bishop, Ranking Member Grijalva, thank you again, and the Committee members, for this opportunity to speak. We welcome your questions and opportunities to help us support our State park systems. I have described those as the largest chain of natural areas across the planet that serve as environmental education, outdoor recreation, and wellness centers. Thank you very much; I am happy to answer questions.

[The prepared statement of Mr. Ledford follows:]

PREPARED STATEMENT OF LEWIS LEDFORD, DIRECTOR, NORTH CAROLINA STATE PARKS AND VICE PRESIDENT, NATIONAL ASSOCIATION OF STATE PARK DIRECTORS

Good morning Chairman Bishop, Ranking Member Grijalva, and members of the Subcommittee, thank you for the opportunity to testify today. I am Lewis Ledford, Vice President of the National Association of State Park Directors (NASPD). I also serve on the board of directors for the National Recreation and Park Association, and I just recently accepted an appointment on the Southern Region Recreation Resource Advisory Committee for the U.S. Forest Service. My full-time job is serving as the Director of the North Carolina Division of Parks and Recreation. I have worked for the North Carolina State parks for more than 30 years. Parks and conservation have been the mainstay of my entire professional life. I appreciate the opportunity to be part of the discussion on this important issue today.

The NASPD officially met for the first time in 1962 at Illinois Beach State Park on the shores of Lake Michigan near Zion, Illinois. The mission of the Association is to promote and advance the State park systems of America for their own significance, as well as for their important contributions to the Nation's environment, heritage, health, and economy. We are devoted to helping State park systems effectively manage and administer their State parks.

The Association is composed of 50 State park directors of the United States that have full membership privileges in the organization. The Association has also established memorandums of understanding (MOU's) with associates and affiliates that share common goals. One of those agreements includes a partnership with the National Park Service and the National Recreation and Park Association. The goal of that agreement is to increase public awareness to the value of connecting children and nature to improve the knowledge of our nation's natural resources.

As you might expect, the diversity between park systems across the country is significant. There can be a vast disparity in the number of areas, acreage, park personnel, and operating funds from one State to another. For example; in California there are 279 areas, 1.5 million acres, 5,246 personnel, and \$387 million in operating expenses. Similarly in North Dakota there are 31 areas, 19,842 acres, 169 personnel, and \$5.3 million in operating expenses. In my State of North Carolina, we

have 74 areas, 218,772 acres, 1,159 personnel, and \$33.7 million in annual operating expenses.

All together, the 50 States have 8,260 areas, comprising 14.9 million acres with 49,590 personnel, costing \$736 million in general fund operating expenses.

Funding for State parks is a major issue all across the country as it is for the Federal land managing agencies of the National Park Service, the Bureau of Land Management, the Bureau of Reclamation, the U.S. Fish and Wildlife Service and the U.S. Forest Service. Finding adequate funds for sufficient operations as well as maintenance and construction of new facilities is a major concern among all of my colleagues.

For many years the amount of money from State general funds going to State parks has been declining rapidly. In 2009, the total was \$924 million, and in 2012, the amount was \$736 million. As a percentage share of State budget the total for State parks in America was 0.211 percent in 2012. This ranged from 0.071 in Mississippi to 0.800 in California.

Based on the most recent information collected by the NASPD, Annual Information Exchange (AIX), there is almost \$1 billion (\$941 million) generated annually in park revenues. Further, multiple studies have shown that State parks benefit their host communities through salaries paid to employees and spending by visiting tourists. In North Carolina, we determined through a recent study that our 74 State parks created \$289 million in annual sales, \$120 million on resident's income resulting in 4,924 full-time equivalent jobs.

We estimate that the annual economic impact nationally of our State parks is more than \$20 billion.

Beyond State general revenue funds, financing of State parks comes mostly from sources including: dedicated funds, park generated revenue or user fees.

Sources of dedicated funds include: boat registration, fishing and hunting licenses, fuel tax, off-road vehicle registration, motor vehicle registration, lease royalties, proceeds from State lotteries, real estate transfer tax, and sales taxes. Generally speaking, these various sources provide a reliable annual funding amount.

Some States with examples of dedicated funds include: California has a boating gas tax; Colorado has lottery proceeds and the Great Outdoors Colorado Trust; Iowa has an Environment First Fund; and Minnesota has a legacy sales tax amendment. Thirty-five States have dedicated funds for capital expenditures totaling \$197 million. 20 States use some amount of park generated fees for capital expenditures totaling \$57 million.

In Arkansas, as a result of a State referendum, $\frac{1}{8}$ of 1 percent of the State sales tax is dedicated to State parks. In North Carolina, we have a dedicated fund which allows for one half of the State's share of real estate transfer tax to go to State parks and a grants program for local government parks and recreation departments. Those funds provide for land acquisition and capital construction but not park operational costs.

User fees may include adult admission, passenger vehicle and bus admission, vehicle parking, annual pass, annual senior pass, lodging rental, camp site rental, and activities which require equipment rental such as, golfing, boating or horseback riding.

Two States report operating almost entirely on fees; New Hampshire (\$15 million) and South Carolina (\$25 million). But in my view those are very challenging situations. In contrast, several States generate revenue that goes into their General Fund to be appropriated back. Nationally, the average share of user fees as a percentage of operating budget is 41 percent.

States may have variations on the stated mission of their park system that impact the way they administer the parks. For example, in North Carolina we have a deep-rooted tradition of protecting our stunning natural resources and making them accessible at low cost to citizens and visitors. So, we charge admission only on a limited basis.

Much has been made about public/private partnerships as a way to help solve some of the financial difficulties. I know of one example several years ago of a particular State that entered into a lease agreement with a private concessioner to manage and operate multiple lodges on multiple park sites.

My understanding is the agreement was not renewed primarily due to considerable visitor dissatisfaction relating to poorly maintained facilities. Certainly, there may be other circumstances where such a situation would meet or exceed expectations, but I believe this underscores the need for States to understand the need for caution when considering having private firms operate parks. It may be a reasonable option to consider but, ultimately, it won't cure the funding problem. In essence, some States that contract with concessionaires have found the relationship workable in the short term, but it has yet to be proven to be a viable long-term solu-

tion primarily because of the mandate and considerable costs to protect the significant natural and cultural resources.

The impact of Federal land fees on State parks is a mixed result. Generally speaking, consistency in fees helps all of us. I have not encountered a situation in my State where Federal fees made any measurable impact on our State parks.

In North Carolina we are proud of having a truly seamless system of Federal, State and local parks including the most visited NPS unit, Blue Ridge Parkway, and the most visited national park, the Great Smoky Mountains. We are one of the fastest growing State park systems with record levels of visitation for three consecutive years. We also have a highly recognized corps of 224 local parks and recreation departments serving the 10th most populous State. But it is my experience that most park visitors don't really distinguish the managing agency of the parks they visit.

Ultimately, I believe we are all proud that State and national parks combine for over a billion visitors per year generating over \$50 billion in economic impact.

As part of my written testimony, I have included a number of tables with information compiled from our association's Annual Information Exchange (AIX). These tables provide more details and a State by State breakdown highlighting the sources of some of the revenues and fees in State parks.

As I conclude my remarks relating to the issue of funding for public lands, I would like to mention a critically important Federal program for State parks, the Land and Water Conservation Fund (LWCF). I would implore you to recognize that for 48 years the LWCF Stateside Assistance Program has provided over 40,000 grants—matched at least dollar for dollar locally creating a total of over \$7.2 billion, extending to every county in America.

We all recognize the current limitations on the Federal budget. But every member of Congress can agree that the dollars invested through the LWCF State Assistance Program for local projects like parks, ball fields, pools, and playgrounds which preserve those spaces in perpetuity are very worthy investments in the future health and well-being of America. We look forward to speaking with you about the LWCF which will be up for reauthorization in 2015.

Chairman Bishop, Ranking Member Grijalva, and members of the Committee, thank you again for the opportunity to speak with you this morning. We appreciate your consideration and support for America's State parks—the largest chain of natural areas on the planet that are also wonderful centers for environmental education, outdoor recreation, and wellness. I am happy to answer any questions you may have.

2011–2012 Annual Information Exchange Report

Table 1: Inventory

[page 4 of 5]

| STATE | Total Areas | | | Total Trails | | |
|-------------|-------------|-----------|-----------|--------------|-----------|-------|
| | Number | Operating | Acreage | Number | Operating | Miles |
| Alabama | 22 | 22 | 48,154 | 119 | 119 | 194 |
| Alaska | 139 | 139 | 3,386,702 | 102 | 102 | 550 |
| Arizona | 31 | 29 | 64,088 | 124 | 124 | 124 |
| Arkansas | 52 | 52 | 54,370 | 140 | 140 | 388 |
| California | 279 | 279 | 1,596,267 | 2,302 | 2,302 | 5,095 |
| Colorado | 592 | 569 | 1,045,523 | 407 | 407 | 584 |
| Connecticut | 138 | 138 | 206,633 | 6 | 5 | 95 |
| Delaware | 34 | 27 | 25,866 | 64 | 64 | 154 |
| Florida | 171 | 171 | 785,395 | 602 | 602 | 1,668 |
| Georgia | 73 | 63 | 92,880 | 123 | 123 | 523 |
| Hawaii | 68 | 68 | 39,824 | 46 | 46 | 125 |
| Idaho | 32 | 29 | 58,922 | 3 | 3 | 1,003 |
| Illinois | 321 | 321 | 480,353 | 6 | 6 | 262 |
| Indiana | 36 | 36 | 171,441 | - | - | - |
| Iowa | 185 | 174 | 71,081 | 1 | 1 | 6 |
| Kansas | 25 | 25 | 32,900 | 2 | 2 | 82 |
| Kentucky | 51 | 51 | 45,180 | 170 | 170 | 317 |
| Louisiana | 61 | 37 | 43,919 | 25 | 25 | 120 |

Table 1: Inventory—Continued
[page 4 of 5]

| STATE | Total Areas | | | Total Trails | | |
|----------------|-------------|-----------|------------|--------------|-----------|--------|
| | Number | | | Number | | |
| | Number | Operating | Acreage | Number | Operating | Miles |
| Maine | 139 | 115 | 98,065 | 14 | 14 | 331 |
| Maryland | 66 | 66 | 134,539 | 2 | 23 | 32 |
| Massachusetts | 339 | 317 | 353,889 | 35 | 35 | 2,145 |
| Michigan | 101 | 96 | 292,721 | 5 | 5 | 227 |
| Minnesota | 1,790 | 1,790 | 284,131 | 25 | 25 | 1,323 |
| Mississippi | 25 | 25 | 24,591 | 38 | 38 | 115 |
| Missouri | 85 | 86 | 204,331 | 233 | 233 | 933 |
| Montana | 66 | 66 | 46,035 | - | - | - |
| Nebraska | 79 | 78 | 135,484 | 2 | 2 | 324 |
| Nevada | 25 | 22 | 144,683 | 114 | 114 | 290 |
| New Hampshire | 91 | 90 | 233,071 | 131 | 131 | 3,864 |
| New Jersey | 118 | 112 | 441,110 | 4 | 4 | 167 |
| New Mexico | 39 | 39 | 196,677 | 59 | 59 | 128 |
| New York | 1,419 | 1,411 | 1,351,569 | 292 | 292 | 3,436 |
| North Carolina | 70 | 36 | 215,404 | 4 | 3 | 781 |
| North Dakota | 31 | 30 | 19,842 | 36 | 36 | 3,250 |
| Ohio | 75 | 75 | 174,342 | 498 | 498 | 1,498 |
| Oklahoma | 35 | 35 | 70,031 | 36 | 36 | 402 |
| Oregon | 256 | 219 | 108,613 | 6 | 6 | 147 |
| Pennsylvania | 120 | 120 | 297,055 | 964 | 964 | 1,494 |
| Rhode Island | 77 | 65 | 9,475 | 14 | 14 | 102 |
| South Carolina | 56 | 56 | 90,167 | 149 | 149 | 366 |
| South Dakota | 131 | 131 | 101,943 | 111 | 111 | 1,896 |
| Tennessee | 54 | 54 | 190,144 | 220 | 220 | 998 |
| Texas | 96 | 96 | 638,391 | 3 | 3 | 97 |
| Utah | 50 | 50 | 150,758 | 105 | 105 | 302 |
| Vermont | 103 | 86 | 69,349 | 47 | 47 | 249 |
| Virginia | 43 | 36 | 71,637 | 293 | 293 | 508 |
| Washington | 204 | 178 | 119,548 | 6 | 5 | 465 |
| West Virginia | 47 | 47 | 177,133 | 2 | 2 | 149 |
| Wisconsin | 80 | 78 | 146,183 | 42 | 39 | 2,000 |
| Wyoming | 40 | 40 | 119,600 | 248 | 248 | 119 |
| Total | 8,260 | 7,975 | 14,960,010 | 7,980 | 7,995 | 39,429 |

Table 5A: Financing—Operating Expenditures
[page 1 of 19]
Operating Expenses—Source of Funds

| STATE | Park Generated Revenue | General Fund | Dedicated Funds | Federal Funds | Other | Total Operating Expenses |
|-------------|------------------------|--------------|-----------------|---------------|------------|--------------------------|
| Alabama | 30,070,557 | - | 3,795,223 | - | 2,576,940 | 36,442,720 |
| Alaska | 2,316,670 | 5,617,900 | 75,100 | 18,600 | 1,494,600 | 9,522,870 |
| Arizona | 9,506,830 | - | 6,979,630 | 938,740 | - | 17,425,200 |
| Arkansas | 25,657,964 | 14,812,833 | 14,118,102 | - | - | 54,588,899 |
| California | 105,965,000 | 121,219,000 | 131,220,000 | 3,700,000 | 25,748,000 | 387,852,000 |
| Colorado | 23,048,097 | - | 9,018,453 | 251,967 | 17,276,394 | 49,594,911 |
| Connecticut | - | 17,756,210 | - | - | - | 17,756,210 |
| Delaware | 13,727,660 | 8,633,958 | 439,715 | 1,524,891 | 48,531 | 24,374,755 |
| Florida | 52,512,359 | - | 26,175,926 | 860,000 | - | 79,548,285 |

Table 5A: Financing—Operating Expenditures—Continued

[page 1 of 19]

Operating Expenses—Source of Funds

| STATE | Park Generated Revenue | General Fund | Dedicated Funds | Federal Funds | Other | Total Operating Expenses |
|----------------|------------------------|--------------------|--------------------|-------------------|--------------------|--------------------------|
| Georgia | 31,783,973 | 13,044,514 | 750,969 | 785,785 | 2,438,889 | 48,804,130 |
| Hawaii | 3,658,821 | - | 3,836,516 | 612,779 | 592,686 | 8,700,802 |
| Idaho | 6,295,600 | 1,308,500 | 6,361,200 | 1,298,500 | 367,900 | 15,631,700 |
| Illinois | 10,162,917 | 11,197,725 | 25,322,292 | - | - | 46,682,934 |
| Indiana | 47,135,038 | 9,333,758 | - | - | 613,257 | 57,082,053 |
| Iowa | 4,205,846 | 6,111,113 | 3,210,000 | 290,463 | 1,013,120 | 14,830,542 |
| Kansas | 6,207,887 | 3,510,816 | 1,079,673 | 769,266 | 428,067 | 11,995,709 |
| Kentucky | 49,611,973 | 29,772,700 | - | - | - | 79,384,673 |
| Louisiana | 1,153,205 | 20,142,905 | 8,397,513 | - | 50,400 | 29,744,023 |
| Maine | - | 6,312,180 | 1,270,227 | 104,126 | - | 7,686,533 |
| Maryland | 12,425,426 | 370,000 | 22,200,000 | 684,992 | 354,838 | 36,035,256 |
| Massachusetts | 7,358,514 | 52,210,439 | - | 712,469 | 788,473 | 61,069,895 |
| Michigan | 40,948,003 | - | 14,455,400 | - | - | 55,403,403 |
| Minnesota | 14,392,000 | 16,944,000 | 44,545,000 | 519,000 | - | 76,400,000 |
| Mississippi | 8,493,466 | 4,865,118 | - | - | - | 13,358,584 |
| Missouri | 7,122,262 | - | 20,187,610 | 1,561,875 | - | 28,871,747 |
| Montana | 4,230,472 | - | 3,477,915 | 178,095 | 639,906 | 8,526,388 |
| Nebraska | 14,349,979 | 6,514,155 | 249,047 | 166,297 | - | 21,279,478 |
| Nevada | 4,125,717 | 2,948,926 | 1,394,041 | 264,540 | 1,114,540 | 9,847,764 |
| New Hampshire | 15,224,193 | - | - | - | - | 15,224,193 |
| New Jersey | 9,154,430 | 19,455,500 | - | - | - | 28,609,930 |
| New Mexico | 5,670,028 | 9,246,200 | 357,000 | 2,029,652 | 724,926 | 18,027,806 |
| New York | 88,153,900 | 119,461,200 | 1,500,000 | 5,150,900 | - | 214,266,000 |
| North Carolina | 6,446,732 | 22,422,210 | - | - | 4,895,340 | 33,764,282 |
| North Dakota | 2,106,660 | 3,004,413 | - | 254,354 | - | 5,365,427 |
| Ohio | 29,591,380 | 30,000,000 | 4,192,601 | - | - | 63,783,981 |
| Oklahoma | 16,232,247 | 11,465,499 | 2,345,779 | - | - | 30,043,525 |
| Oregon | 18,976,139 | - | 15,923,561 | 507,405 | 16,406,513 | 51,813,618 |
| Pennsylvania | 20,000,000 | 34,826,000 | 3,000,000 | - | 27,013,000 | 84,839,000 |
| Rhode Island | - | 9,545,302 | - | - | - | 9,545,302 |
| South Carolina | 21,228,140 | - | - | - | 4,105,330 | 25,333,470 |
| South Dakota | 11,079,928 | 2,355,721 | 1,277,855 | 2,184,549 | - | 16,898,053 |
| Tennessee | 33,600,400 | 44,268,070 | - | 274,130 | 2,750,600 | 80,893,200 |
| Texas | 16,437,617 | 22,275,152 | 25,182,658 | 654,626 | 97,988 | 64,648,041 |
| Utah | 17,544,330 | 6,706,900 | 575,400 | 1,753,900 | 9,600 | 26,590,130 |
| Vermont | 7,882,880 | 263,825 | - | 74,946 | 8,112,901 | 16,334,552 |
| Virginia | 18,218,901 | 16,984,988 | - | - | - | 35,203,889 |
| Washington | 23,972,825 | 8,876,000 | 3,776,188 | 1,977,600 | 21,170,849 | 59,773,462 |
| West Virginia | 23,122,871 | 11,884,441 | 4,773,371 | - | - | 39,780,683 |
| Wisconsin | 19,935,100 | 2,551,600 | 122,200 | 975,800 | - | 23,584,700 |
| Wyoming | - | 8,703,809 | 1,326 | 31,010 | - | 8,736,145 |
| Total | 941,044,937 | 736,923,580 | 411,587,491 | 31,111,257 | 140,833,588 | 2,261,500,854 |

Expenditures are reported in two general categories: **operating expenditures** and **fixed capital expenditures**. Please refer to the definition of terms section for a detailed description of each. Table 5 comprises six subsections on various aspect of financing issues. Due to the complexity of this table explanatory notes are provided after each subsection. States that provided "0" or no data are excluded from averages.

Table 5B: Financing—Capital Expenditures

[page 3 of 19]

Capital Expenditures—Sources of Funds

| STATE | Park Generated Revenue | General Fund | Dedicated Funds | Bonds | Federal Funds | Other | Total Capital Expenditures |
|----------------|------------------------|--------------|-----------------|------------|---------------|-----------|----------------------------|
| Alabama | - | - | 5,862,605 | - | - | - | 5,862,605 |
| Alaska | - | 3,607,000 | - | - | - | - | 3,607,000 |
| Arizona | - | - | 201,663 | - | 338,062 | - | 539,725 |
| Arkansas | 1,078,490 | 1,421 | 4,556,496 | - | 283,576 | 5,965,982 | 11,885,965 |
| California | - | - | 3,469,000 | 11,558,000 | 100,000 | 768,000 | 15,895,000 |
| Colorado | - | - | 5,929,609 | - | 3,270,268 | - | 9,199,877 |
| Connecticut | - | - | - | 210,000 | - | - | 210,000 |
| Delaware | - | 72,264 | 827,832 | 2,595,793 | - | 361,811 | 3,857,700 |
| Florida | - | - | 13,090,279 | - | 1,250,635 | - | 14,340,914 |
| Georgia | 3,852,727 | 16,988 | 750,000 | - | 729,891 | - | 5,349,606 |
| Hawaii | - | - | 635,000 | 800,000 | 137,192 | - | 1,572,192 |
| Idaho | 84,546 | 12,850 | 1,288,944 | - | 162,205 | 61,693 | 1,610,239 |
| Illinois | - | - | 48,896,026 | 10,835,254 | - | - | 59,731,280 |
| Indiana | - | - | - | - | - | 7,454,249 | 7,454,249 |
| Iowa | - | - | 9,862,032 | - | 650,447 | - | 10,512,479 |
| Kansas | - | - | 200,000 | - | 654,277 | 300,000 | 1,154,277 |
| Kentucky | 1,793 | 714,756 | 332,100 | 3,222,728 | 457,716 | 4,360 | 4,733,452 |
| Louisiana | - | 425,000 | - | - | - | - | 425,000 |
| Maine | - | - | 350,581 | 485,871 | 111,480 | - | 947,932 |
| Maryland | - | - | 618,757 | 6,163,376 | - | - | 6,782,133 |
| Massachusetts | - | - | - | 41,563,231 | - | - | 41,563,231 |
| Michigan | 3,253,334 | - | - | - | - | 2,485,069 | 5,738,403 |
| Minnesota | - | 23,000 | 14,244,000 | 6,417,000 | 519,000 | - | 21,203,000 |
| Mississippi | 7,796,664 | - | - | 556,400 | - | - | 8,353,064 |
| Missouri | 2,788,829 | 1,844 | 889,798 | - | 813,463 | 476,148 | 4,970,082 |
| Montana | 400,000 | - | - | - | - | 500,000 | 900,000 |
| Nebraska | 77,356 | 29,600 | 995,666 | - | 1,493,302 | - | 2,595,924 |
| Nevada | 33,586 | - | - | 692,161 | 100,149 | 117,451 | 943,347 |
| New Hampshire | - | - | - | 6,214,173 | - | - | 6,214,173 |
| New Jersey | - | - | 7,514,078 | 3,034,850 | - | - | 10,548,928 |
| New Mexico | 11,576 | 4,961 | 1,664,915 | 1,276,186 | 460,232 | - | 3,417,870 |
| New York | 25,969,000 | - | 17,094,000 | 1,468,000 | 4,000,000 | - | 48,531,000 |
| North Carolina | - | - | 16,396,092 | 4,200,000 | 450,000 | - | 21,046,092 |
| North Dakota | 355,966 | 58,000 | - | - | 2,955 | - | 416,921 |
| Ohio | - | - | 2,951,556 | 4,997,360 | - | 1,559,938 | 9,508,854 |
| Oklahoma | - | 1,921,548 | 13,400,922 | - | - | - | 15,322,470 |
| Oregon | - | - | 4,675,593 | - | 143,592 | 5,715,608 | 10,534,793 |
| Pennsylvania | 2,017,000 | - | 17,627,876 | - | - | - | 19,644,876 |
| Rhode Island | - | - | - | - | 612,685 | 4,544,133 | 5,156,818 |
| South Carolina | 270,230 | 299,381 | 54,315 | 206,501 | 395,420 | 192,967 | 1,418,814 |
| South Dakota | 3,469,354 | - | 1,152,557 | - | 5,040,372 | 933,464 | 10,595,747 |
| Tennessee | - | 18,468,445 | - | - | 1,114,175 | - | 19,582,620 |
| Texas | 3,303,213 | 2,180,693 | 18,266 | 11,811,219 | 235,872 | 880,437 | 18,429,700 |
| Utah | 1,611,700 | 122,700 | 64,500 | - | 1,223,300 | 757,600 | 3,779,800 |
| Vermont | - | - | - | 3,155,624 | - | - | 3,155,624 |
| Virginia | - | - | 519,239 | 6,786,421 | - | - | 7,305,660 |
| Washington | 4,882 | - | 117,182 | 6,615,681 | 200,167 | 4,215,202 | 11,153,114 |
| West Virginia | - | - | 1,391,463 | - | - | - | 1,391,463 |
| Wisconsin | - | - | 325,000 | 6,000,000 | 672,407 | 796,350 | 7,793,757 |
| Wyoming | 657,445 | - | - | - | - | - | 657,445 |

Table 5B: Financing—Capital Expenditures—Continued

[page 3 of 19]

Capital Expenditures—Sources of Funds

| STATE | Park Generated Revenue | General Fund | Dedicated Funds | Bonds | Federal Funds | Other | Total Capital Expenditures |
|-------|------------------------|--------------|-----------------|-------------|---------------|------------|----------------------------|
| Total | 57,037,691 | 27,960,451 | 197,967,941 | 140,865,829 | 25,622,840 | 38,090,462 | 487,545,215 |

Table 5C: Financing—Parks' Share of State Expenditures

[page 5 of 19]

| STATE | Share of Budget | | |
|----------------|------------------------|-----------------------------|-------------------------|
| | State Operating Budget | State Park Operating Budget | Percent of State Budget |
| Alabama | 18,016,546,000 | 36,451,401 | 0.202% |
| Alaska | 10,147,853,400 | 12,644,200 | 0.125% |
| Arizona | 26,883,064,100 | 19,483,900 | 0.072% |
| Arkansas | 21,187,877,519 | 63,680,683 | 0.301% |
| California | 48,509,010,000 | 387,852,000 | 0.800% |
| Colorado | 19,598,400,000 | 49,594,911 | 0.253% |
| Connecticut | 20,090,093,515 | 17,756,210 | 0.088% |
| Delaware | 4,538,177,700 | 19,809,100 | 0.436% |
| Florida | 69,676,600,000 | 84,075,709 | 0.121% |
| Georgia | 18,295,831,853 | 56,111,620 | 0.307% |
| Hawaii | 11,050,795,327 | 11,900,058 | 0.108% |
| Idaho | 5,646,619,100 | 15,631,700 | 0.277% |
| Illinois | 56,404,111,000 | 46,510,000 | 0.082% |
| Indiana | 26,674,793,024 | 57,082,053 | 0.214% |
| Iowa | 5,856,041,493 | 14,830,542 | 0.253% |
| Kansas | 13,400,000,000 | 11,838,035 | 0.088% |
| Kentucky | 28,736,906,850 | 79,284,600 | 0.276% |
| Louisiana | 25,590,819,058 | 29,744,023 | 0.116% |
| Maine | 3,130,209,894 | 7,686,533 | 0.246% |
| Maryland | 35,636,873,208 | 36,035,256 | 0.101% |
| Massachusetts | 32,477,017,000 | 61,069,896 | 0.188% |
| Michigan | 46,627,231,900 | 56,411,900 | 0.121% |
| Minnesota | 31,181,000,000 | 76,400,000 | 0.245% |
| Mississippi | 18,947,060,507 | 13,358,584 | 0.071% |
| Missouri | 23,233,326,714 | 35,920,662 | 0.155% |
| Montana | 5,269,200,000 | 8,964,514 | 0.170% |
| Nebraska | 5,437,504,129 | 22,313,023 | 0.410% |
| Nevada | 22,911,157,552 | 12,525,780 | 0.055% |
| New Hampshire | 5,375,879,533 | 18,726,876 | 0.348% |
| New Jersey | 30,989,000,000 | 28,609,930 | 0.092% |
| New Mexico | 14,871,104,100 | 23,017,300 | 0.155% |
| New York | 28,658,460,151 | 214,266,000 | 0.748% |
| North Carolina | 51,493,647,654 | 33,730,365 | 0.066% |
| North Dakota | 5,324,486,940 | 4,296,588 | 0.081% |
| Ohio | 59,576,052,093 | 63,783,981 | 0.107% |
| Oklahoma | 6,325,592,836 | 18,900,046 | 0.299% |
| Oregon | 29,420,500,000 | 52,933,490 | 0.180% |
| Pennsylvania | 27,161,435,000 | 84,839,000 | 0.312% |
| Rhode Island | 8,099,856,384 | 9,889,660 | 0.122% |
| South Carolina | 21,901,829,654 | 24,808,208 | 0.113% |
| South Dakota | 4,095,587,960 | 18,927,697 | 0.462% |
| Tennessee | 30,200,405,300 | 80,893,200 | 0.268% |

Table 5C: Financing—Parks' Share of State Expenditures—Continued
 [page 5 of 19]

| STATE | Share of Budget | | |
|---------------|------------------------|-----------------------------|-------------------------|
| | State Operating Budget | State Park Operating Budget | Percent of State Budget |
| Texas | 92,606,622,368 | 79,093,224 | 0.085% |
| Utah | 11,735,079,400 | 26,875,504 | 0.229% |
| Vermont | 6,386,763,507 | 8,187,847 | 0.128% |
| Virginia | 39,567,009,510 | 35,203,889 | 0.089% |
| Washington | 31,969,493,000 | 63,692,409 | 0.199% |
| West Virginia | 18,800,000,000 | 39,780,683 | 0.212% |
| Wisconsin | 14,166,186,500 | 23,584,700 | 0.166% |
| Wyoming | 4,267,396,842 | 9,715,255 | 0.228% |
| Total Average | 1,198,146,509,575 | 2,308,722,745 | 0.211% |

Table 5F: Financing—Revenue Sources
 [page 16 of 19]

| STATE | Registration Fees | | | | | | | | |
|----------------|-------------------------|----------------|--------------|-------------|-------|---------|--------------------------|------------------------|------------------------|
| | Entrance Fees & Permits | Motor Fuel Tax | Snow-mobiles | OHV's/ATV's | Boats | Lottery | Real Estate Transfer Tax | Vehicle Plates/Permits | Hunting Licenses/Fines |
| Alabama | No | No | No | No | No | No | No | No | No |
| Alaska | Yes | No | No | No | No | No | No | No | No |
| Arizona | Yes | Yes | No | Yes | Yes | No | No | No | No |
| Arkansas | Yes | No | No | No | No | No | Yes | No | No |
| California | Yes | Yes | No | Yes | Yes | No | No | No | No |
| Colorado | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | No |
| Connecticut | No | No | No | No | No | No | No | No | No |
| Delaware | Yes | No | No | No | No | No | Yes | No | No |
| Florida | Yes | No | No | No | No | No | Yes | No | No |
| Georgia | Yes | No | No | No | No | No | No | No | No |
| Hawaii | No | No | No | No | No | No | No | No | No |
| Idaho | Yes | Yes | No | No | No | No | No | Yes | No |
| Illinois | No | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes |
| Indiana | Yes | No | Yes | Yes | Yes | No | No | No | Yes |
| Iowa | No | Yes | Yes | No | Yes | Yes | No | Yes | No |
| Kansas | Yes | No | No | No | No | No | No | No | No |
| Kentucky | Yes | No | No | No | No | No | No | No | No |
| Louisiana | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Maine | Yes | No | No | No | No | No | No | Yes | No |
| Maryland | Yes | No | No | No | No | No | Yes | Yes | No |
| Massachusetts | Yes | No | No | No | No | No | No | No | No |
| Michigan | Yes | No | No | Yes | No | No | No | No | No |
| Minnesota | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No |
| Mississippi | Yes | No | No | No | No | No | No | No | No |
| Missouri | Yes | No | No | No | No | No | No | No | No |
| Montana | Yes | Yes | Yes | Yes | Yes | No | No | Yes | No |
| Nebraska | Yes | Yes | Yes | No | No | No | No | Yes | No |
| Nevada | Yes | Yes | No | No | No | No | No | No | No |
| New Hampshire | Yes | Yes | Yes | Yes | No | No | No | Yes | No |
| New Jersey | Yes | No | No | No | No | No | No | Yes | No |
| New Mexico | Yes | Yes | No | No | Yes | No | No | No | No |
| New York | Yes | No | Yes | No | Yes | No | Yes | No | No |
| North Carolina | No | No | No | No | No | No | Yes | Yes | No |

Table 5F: Financing—Revenue Sources—Continued
[page 16 of 19]

| STATE | Registration Fees | | | | | | | | |
|----------------|-------------------------|----------------|-------------|-------------|-------|---------|--------------------------|------------------------|------------------------|
| | Entrance Fees & Permits | Motor Fuel Tax | Snowmobiles | OHV's/ATV's | Boats | Lottery | Real Estate Transfer Tax | Vehicle Plates/Permits | Hunting Licenses/Fines |
| North Dakota | Yes | Yes | Yes | Yes | No | No | No | No | No |
| Ohio | No | No | No | No | No | No | No | Yes | No |
| Oklahoma | Yes | No | No | No | No | No | No | No | No |
| Oregon | Yes | Yes | No | Yes | No | Yes | No | Yes | No |
| Pennsylvania | No | No | No | No | No | No | Yes | No | No |
| Rhode Island | No | No | No | No | No | No | No | No | No |
| South Carolina | Yes | No | No | No | No | No | No | No | No |
| South Dakota | Yes | Yes | Yes | No | Yes | No | No | No | No |
| Tennessee | No | No | No | No | No | No | No | Yes | No |
| Texas | Yes | Yes | No | Yes | Yes | No | No | Yes | No |
| Utah | Yes | Yes | Yes | Yes | Yes | No | No | No | No |
| Vermont | Yes | No | No | No | No | No | No | No | No |
| Virginia | Yes | No | No | No | No | No | No | No | No |
| Washington | No | Yes | Yes | Yes | No | No | No | Yes | No |
| West Virginia | Yes | No | No | No | No | Yes | No | No | No |
| Wisconsin | Yes | No | Yes | Yes | No | No | No | Yes | Yes |
| Wyoming | Yes | Yes | Yes | Yes | No | No | No | No | No |
| # Yes | 38 | 19 | 15 | 16 | 13 | 5 | 8 | 19 | 3 |

Table 5F: Financing—Revenue Sources
[page 17 of 19]

| STATE | State Taxes/Fees Dedicated to Park & Recreation | | | | | | |
|---------------|---|--------------------------|-----------|-------------------------------|----------------------------|----------------------|--------------------|
| | Employee Housing Payments | Permits (Ski, Lake, Ag.) | Donations | Publications & Souvenir Sales | Concessionnaires Licensing | Tobacco Products Tax | Sporting Goods Tax |
| Alabama | No | No | No | No | No | Yes | No |
| Alaska | Yes | No | No | No | No | No | No |
| Arizona | Yes | No | Yes | Yes | Yes | No | No |
| Arkansas | No | No | Yes | Yes | Yes | No | No |
| California | Yes | Yes | Yes | Yes | No | Yes | No |
| Colorado | Yes | Yes | Yes | Yes | Yes | No | No |
| Connecticut | No | No | No | No | No | No | No |
| Delaware | Yes | Yes | Yes | Yes | Yes | No | No |
| Florida | No | Yes | Yes | Yes | No | No | No |
| Georgia | No | Yes | Yes | Yes | Yes | No | No |
| Hawaii | No | No | No | No | No | No | No |
| Idaho | No | Yes | Yes | Yes | Yes | No | No |
| Illinois | Yes | Yes | Yes | Yes | No | No | Yes |
| Indiana | No | Yes | Yes | Yes | Yes | Yes | No |
| Iowa | No | Yes | Yes | Yes | Yes | No | No |
| Kansas | No | Yes | Yes | Yes | Yes | No | No |
| Kentucky | No | No | Yes | Yes | Yes | No | No |
| Louisiana | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Maine | Yes | Yes | Yes | Yes | No | No | No |
| Maryland | Yes | Yes | Yes | Yes | Yes | No | No |
| Massachusetts | Yes | Yes | Yes | No | Yes | No | No |
| Michigan | Yes | Yes | Yes | Yes | Yes | No | No |
| Minnesota | Yes | No | Yes | Yes | Yes | No | No |

Table 5F: Financing—Revenue Sources—Continued

[page 17 of 19]

| STATE | State Taxes/Fees Dedicated to Park & Recreation | | | | | | |
|----------------|---|--------------------------|-----------|-------------------------------|----------------------------|----------------------|--------------------|
| | Employee Housing Payments | Permits (Ski, Lake, Ag.) | Donations | Publications & Souvenir Sales | Concessionnaires Licensing | Tobacco Products Tax | Sporting Goods Tax |
| Mississippi | No | Yes | No | Yes | Yes | No | No |
| Missouri | Yes | Yes | Yes | Yes | Yes | No | No |
| Montana | Yes | Yes | Yes | Yes | Yes | No | No |
| Nebraska | No | Yes | Yes | Yes | Yes | Yes | Yes |
| Nevada | No | No | Yes | Yes | No | No | No |
| New Hampshire | No | Yes | Yes | Yes | Yes | No | No |
| New Jersey | Yes | Yes | Yes | Yes | No | No | No |
| New Mexico | No | No | Yes | No | Yes | No | No |
| New York | Yes | Yes | Yes | No | Yes | No | No |
| North Carolina | No | No | No | No | No | No | No |
| North Dakota | Yes | Yes | Yes | Yes | Yes | No | No |
| Ohio | Yes | Yes | Yes | Yes | Yes | No | No |
| Oklahoma | Yes | Yes | Yes | Yes | No | No | No |
| Oregon | Yes | Yes | Yes | Yes | No | No | No |
| Pennsylvania | No | No | Yes | No | No | No | No |
| Rhode Island | No | No | No | No | No | No | No |
| South Carolina | No | No | Yes | Yes | Yes | No | No |
| South Dakota | No | Yes | Yes | Yes | Yes | No | Yes |
| Tennessee | No | No | Yes | Yes | Yes | No | No |
| Texas | Yes | Yes | Yes | Yes | Yes | No | Yes |
| Utah | No | No | Yes | Yes | Yes | No | No |
| Vermont | No | Yes | Yes | Yes | Yes | No | No |
| Virginia | No | Yes | Yes | Yes | Yes | No | No |
| Washington | Yes | Yes | Yes | Yes | No | No | No |
| West Virginia | Yes | No | Yes | Yes | Yes | No | No |
| Wisconsin | Yes | Yes | Yes | Yes | Yes | No | No |
| Wyoming | No | Yes | Yes | Yes | No | No | No |
| # Yes | 23 | 32 | 42 | 39 | 32 | 4 | 4 |

Table 5F—Financing—Revenue Sources

[page 18 of 19]

| STATE | State Taxes/Fees Dedicated to Park & Recreation | | | | | |
|-------------|---|-------------------|---------------------|-------------------------|-------|--------------|
| | Petroleum Products Tax | Sales Tax Tourism | Investment Interest | State Land Board Trusts | Other | General Fund |
| Alabama | No | No | No | No | Yes | No |
| Alaska | No | No | No | No | Yes | Yes |
| Arizona | No | No | Yes | No | Yes | No |
| Arkansas | Yes | No | Yes | Yes | Yes | No |
| California | Yes | No | Yes | No | No | Yes |
| Colorado | No | No | Yes | Yes | Yes | Yes |
| Connecticut | No | No | No | No | No | Yes |
| Delaware | No | No | Yes | No | No | Yes |
| Florida | No | No | No | No | No | No |
| Georgia | No | Yes | No | No | Yes | Yes |
| Hawaii | No | No | No | No | No | No |
| Idaho | No | No | Yes | No | No | Yes |
| Illinois | No | Yes | No | Yes | Yes | Yes |

Table 5F—Financing—Revenue Sources—Continued
 [page 18 of 19]

| STATE | State Taxes/Fees Dedicated to Park & Recreation | | | | | |
|----------------|---|-------------------|---------------------|-------------------------|-------|--------------|
| | Petroleum Products Tax | Sales Tax Tourism | Investment Interest | State Land Board Trusts | Other | General Fund |
| Indiana | No | Yes | Yes | No | No | Yes |
| Iowa | No | No | No | No | No | Yes |
| Kansas | No | No | No | No | Yes | Yes |
| Kentucky | No | No | No | No | No | Yes |
| Louisiana | Yes | Yes | Yes | Yes | Yes | Yes |
| Maine | No | No | Yes | No | No | Yes |
| Maryland | No | No | No | No | No | No |
| Massachusetts | No | No | Yes | No | Yes | Yes |
| Michigan | No | No | Yes | No | Yes | No |
| Minnesota | No | No | No | No | Yes | Yes |
| Mississippi | No | No | Yes | No | No | Yes |
| Missouri | No | No | No | No | Yes | No |
| Montana | No | Yes | Yes | No | No | No |
| Nebraska | No | Yes | Yes | No | No | Yes |
| Nevada | No | No | No | No | No | No |
| New Hampshire | No | No | No | No | No | Yes |
| New Jersey | No | No | No | No | No | Yes |
| New Mexico | No | No | No | No | No | Yes |
| New York | No | No | No | No | No | Yes |
| North Carolina | No | No | No | No | No | Yes |
| North Dakota | No | No | Yes | No | No | Yes |
| Ohio | No | No | No | No | No | Yes |
| Oklahoma | No | No | No | No | Yes | Yes |
| Oregon | No | No | No | No | No | No |
| Pennsylvania | No | No | No | No | Yes | Yes |
| Rhode Island | No | No | No | No | No | Yes |
| South Carolina | No | No | No | No | Yes | Yes |
| South Dakota | Yes | No | No | No | Yes | Yes |
| Tennessee | No | No | No | No | No | Yes |
| Texas | No | No | No | No | Yes | Yes |
| Utah | No | No | No | No | No | Yes |
| Vermont | No | No | No | No | No | Yes |
| Virginia | No | No | No | No | Yes | Yes |
| Washington | No | No | No | No | Yes | Yes |
| West Virginia | No | No | No | No | No | Yes |
| Wisconsin | No | No | No | No | No | Yes |
| Wyoming | No | No | No | No | No | Yes |
| # Yes | 3 | 5 | 14 | 3 | 18 | 38 |

Mr. BISHOP. Thank you.

Mr. O'Toole, I have read many of your works. It is nice to have you here in person. You are recognized.

STATEMENT OF RANDAL O'TOOLE, SENIOR FELLOW, CATO INSTITUTE

Mr. O'TOOLE. Thank you. It is nice to be here. Mr. Chairman and members of the Committee, I appreciate being invited to join this distinguished panel of speakers, as well as the not-so-distinguished

Andy Stahl, to testify today. I am here to testify about dispersed recreation fees.

The Recreation Enhancement Act effectively prohibited the Forest Service, Bureau of Land Management, and Bureau of Reclamation from charging fees for dispersed recreation. Most of the litigation over the law has dealt with what is dispersed and what is developed recreation. Although the National Park Service and the Fish and Wildlife Service are allowed to charge entrance fees, charging an entrance fee to cover all the various types of recreation found on national parks and wildlife refuges is no more sensible than a grocer or a clothing store charging an entrance fee to people and expecting to make all of their revenue simply out of that entrance fee.

Now, in testifying in favor of dispersed recreation fees, I really have three hats today. Usually I show a Power Point show, but today I have decided to bring some props. My first hat is the hat of a fiscal conservative, the Cato Institute, which is my employer. As a fiscal conservative, I know that one effect of fees is to help compensate for the cost of the activity. But that is not the main purpose of fees. That is not the main purpose of prices. The main purpose of prices is to send signals to both users and producers as to what is valuable and what is not valuable.

For example, user fees can tell users that some areas are too over-crowded, and they should go somewhere else. They can tell land owners that some types of recreation are more valuable, and they should provide more of that kind of recreation. So, while I think it is a great bonus that user fees can help compensate taxpayers for all the money that has been invested in the public lands, I think the main advantage of fees is to understand them as their role that they provide as incentives.

Now, my second hat is as an environmentalist. Some people might say, "Well, you can't be an environmentalist; you are employed by the evil Koch brothers." I have actually never met either of the evil Koch brothers, or maybe any of the not so evil ones, either. But I have met the heads of a number of environmental organizations. During the 1980s, I was the director of the environmental movement's leading think tank involved with national forest policy. That think tank was called Cascade Holistic Economic Consultants. Later changed its name to the Thoreau Institute, whose hat I am wearing right now.

At that time, every major environmental group, from the Audubon Society to Greenpeace, to the Sierra Club, to the Wilderness Society hired the Thoreau Institute to write more than 100 reports on national forest management and planning. By the end of the 1980s, I had written a book called, "Reforming the Forest Service," and a leading Forest Service official once told a reporter that Randal O'Toole has had more influence on the Forest Service than all the other environmental groups combined.

Now, as an environmentalist, I really care about the health of natural ecosystems, about clean water about habitat for endangered species, and other plants, animals, and fish. And, as an environmentalist, I also know, from all the work I did studying the Forest Service in the 1980s, that incentives work better than mandates. If you give an agency an incentive, and you give it a man-

date, and they conflict with one another, the agency will always choose the incentive over the mandate, and do everything it can to get out of the mandate or to have the mandate change to conform to its incentive.

So, it is just better to make your incentives the same as your mandates. If you want to protect natural ecosystems, water quality, wildlife habitat, you need incentives to do that. And the best way to do that is to charge dispersed recreation fees, because dispersed recreationists, more than anybody else, care about those resources.

My final hat is as an outdoor recreationist. And I hike and bicycle and cross-country ski hundreds of miles a year on national forests and other public lands. As an outdoor recreationist, I know that the fees that I would pay would help give managers incentives to provide more outdoor recreation. In particular, half the lands in the West are private lands. And if the public lands start charging dispersed recreation fees, then private land owners will charge fees as well, and we will see more recreation opportunities than we see today.

Well, opponents of recreation fees may have many reasons to oppose those fees. I think the three basic reasons that the fees are good for taxpayers, good for the land, and good for recreationists overwhelm any objections. Thank you very much.

[The prepared statement of Mr. O'Toole follows:]

PREPARED STATEMENT OF RANDAL O'TOOLE, SENIOR FELLOW, CATO INSTITUTE

Thank you, Mr. Chairman and members of the Subcommittee, for inviting me to testify today about the Federal Lands Recreation Enhancement Act of 2004. As it happens, before I was informed of this hearing, I had written a paper on this subject that the Cato Institute is releasing today, and I ask that this paper be included as a part of my testimony.

The Recreation Enhancement Act effectively prohibited the Forest Service, Bureau of Land Management, and Bureau of Reclamation from charging fees for dispersed recreation, as a result of which recreation is free on more than 98 percent of the lands managed by these agencies. While the law allows entrance fees on national parks and wildlife refuges, charging a single fee to cover all the many and varied recreation experiences on these lands makes no more sense than for a grocery or clothing store to try to earn its income from single entrance fee.

I will argue today that when Congress reauthorizes this law, it should allow and encourage all Federal land agencies to charge fair market value for all forms of recreation. Furthermore, the agencies that collect the fees should be allowed to keep just half of those fees, while the other half should go to the U.S. Treasury as compensation for present and past appropriations for public land management.

In making these arguments, I am wearing three different hats. First is my hat as senior fellow for the Cato Institute, the Nation's premiere free-market think tank. As a free-market advocate, I know that user fees will do more than merely help cover the costs of public land management. Although that is a nice bonus, the real role of user fees is to create incentives for both users and resource managers. Those incentives will insure, for example, that users will not overuse resources and that managers will create new opportunities for recreation.

A 1990 Forest Service report estimated that, at "market-clearing prices," the value of national forest recreation was three times greater than the value of all other national forest resources combined. Even if these estimates were wildly inflated, recreation fees should be enough to completely cover the annual appropriations to most of these agencies. Such fees would obviously create significant incentives for land managers to cater to recreation users.

At the same time, there is no reason to expect that these fees would be a burden on recreation users. Americans today spend more than \$650 billion a year on outdoor recreation, and market-rate fees would amount to no more than 3 percent of this total.

My second hat is as an environmentalist. Some may say, "He can't be an environmentalist; he works for the 'evil' Koch brothers!" In fact, I have never met the Koch

brothers and have no idea how they feel about recreation fees. But I have met the heads and funders of many of the Nation's leading environmental groups, as during the 1980s I worked for the Nation's leading environmental think tank dedicated to national forest issues.

In that capacity, I was hired by many of the Nation's major environmental groups, including the Audubon Society, Greenpeace, National Wildlife Federation, Natural Resources Defense Council, Sierra Club, and the Wilderness Society, to write more than 100 different research papers and reports. My work was covered in *Newsweek* and *U.S. News & World Reports* and led one Forest Service official to tell a reporter, "Randal O'Toole has had more influence on the Forest Service than all of the environmental groups combined."

As an environmentalist, I want to protect habitat for endangered species and other fish and wildlife; healthy natural ecosystems; and clean rivers and streams. But my research in the 1980s found that the best way to protect these resources is through incentives, not mandates, and that the best incentives are created by user fees. Of all potential public land user fees, fees from dispersed recreationists provide the best proxy for these resources. Thus, allowing agencies to charge for dispersed recreation will effectively create incentives for managers to protect wildlife habitat, natural ecosystems, and water quality.

My third hat is as a recreationist. I live 500 feet from a national forest boundary; I cross-country ski, bicycle, and hike hundreds of miles a year on Federal lands; and I have seen the effects of pinched budgets on recreation facilities. Dispersed recreation fees can help correct these problems and encourage Federal land managers to create new opportunities for recreation.

Fees will do more than just improve recreation on Federal lands, however. The Federal Government owns close to half the lands in the West, which means it sets the price for many resources. If it gives away dispersed recreation, other landowners will have little incentive to offer such recreation on their lands.

We know from experiences in the South, where Federal lands are much less extensive, that when private landowners charge fees, the revenues they collect lead them to greatly alter their land-management practices in order to make their lands more attractive to recreationists. This includes going far beyond legal requirements to protect endangered species and other wildlife habitat and water quality. User fees for dispersed recreation on Federal lands in the West would encourage other landowners to charge such fees, thus possibly doubling the opportunities for recreation.

One question raised by my recommendations is why should the agencies get to keep half of recreation fees, instead of all of the fees as they do under the Recreation Enhancement Act. My research has shown that allowing agencies to keep all fees on top of receiving appropriations for resource management gives those agencies incentives to overuse the resources. On the other hand, allowing them to keep no fees gives them no incentive to protect the resource. While 50 percent is somewhat arbitrary, it should be enough to create powerful incentives without promoting overuse.

Opponents of dispersed recreation fees make several arguments why they are special and should be allowed free access to public lands while all other public land users have to pay for what they use. I address these arguments in detail in my Cato paper. But my real argument for dispersed recreation fees is that everyone will benefit from such fees, including taxpayers, public lands, and recreationists themselves.

[The paper written by Randal O'Toole *Improving Incentives for Federal Land Managers The Case for Recreation Fees* has been retained in the Committees official files, and can be found at http://object.cato.org/sites/cato.org/files/pubs/pdf/pa726_web.pdf.]

Mr. BISHOP. Thank you for your testimony, as well as the hats. And I think you clearly illustrated why hats have been banned on the Floor of the House ever since our inception.

[Laughter.]

Mr. BISHOP. Mr. Stahl, you have 5 minutes.

STATEMENT OF ANDY STAHL, EXECUTIVE DIRECTOR, FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS

Mr. STAHL. Thank you, Mr. Chairman and Ranking Member Grijalva. It is a pleasure to be here. For many people, access to the standard amenity recreational opportunities on our Federal lands

is provided free of charge. These people include up to 50 million Americans who are permanently disabled, which requires a doctor's note, plus three accompanying adults in their automobile. Also, 60 million Americans who are under the age of 16 and over 2 million active-duty Reserve and National Guard personnel, plus approximately 1 million of their spouses, plus up to 3 people, in addition, in the vehicle. An unknown number of volunteers receive this free recreation for providing 250 service hours to the land management agencies. And about 50 million Americans who are 62 years of age or older get almost free recreation. They pay \$10, as a one-time fee, for life.

In sum, over one-third, and perhaps as many as one-half of all Americans are eligible for free or almost-free recreational access to our Federal lands. These opportunities include the standard amenity recreation on BLM and Forest Service lands.

Now, few people begrudge these Americans their free recreation. But if we deem them eligible for free recreation, what about the rest of us? Are we less deserving? For example, other public employees, such as firefighters, police officers, they risk their lives in the line of duty no less than do our service members. Single mothers, on average, are more strapped financially—and arguably, need some public recreation—more than seniors. And yet, their income is half, on average, what a senior's is. And is volunteer service to Scouts or through a food bank or through school of any less value to society than to a Federal land management agency? Sixty-four million Americans volunteer their services every year, but only those who do so to a Federal agency get free recreation on Federal lands.

Now, it has been argued by my good friend, Randal, among others, that fees provide a market-like incentive to Federal land managers. But the fact is that the annual passes that all of these people can get for free, or that people can buy for \$80 a year, provide no signal as to the type or location of desired recreation. The annual pass provides as much of a signal as taxes tell you how much to spend on Medicare versus food stamps.

In addition, the way in which Federal agencies budget their fee money versus their appropriations muddy the waters that those market signals are intended to send. In an essay I have attached to my testimony, the former district ranger at the Oregon Dunes National Recreation Area explains his experience. He was one of the first district rangers to fully embrace recreation user fees for dispersed recreation. But his experience, as he saw the money that he collected taken away from him and used to subsidize other parts of the Forest Service's recreation program that were less desirable and less demanded by people, soured him to the whole program. And he is now an opponent. He currently manages recreation for a city in Oregon.

Now, I recently visited an amenity fee recreation site on the Siuslaw National Forest, the Cape Perpetua Overlook. And attached to my testimony are photographs showing the standard amenity that is provided there, a single-hole toilet—there was no toilet paper in it—and what you could see for your \$5, which is a beautiful view of the ocean; and showed how simple the fee program is. There are no fewer than three signs explaining it.

Now, we think that what makes sense for half of Americans makes sense for all of us. We recommend that you reauthorize FLREA, but that you eliminate the portion that allows for standard amenity recreation fees in 16 U.S.C. 6802(f).

And we suggest that you retain fee authority for entrance to national parks, and that you compensate the agencies for the foregone fees with increased appropriations. Thank you very much.

[The prepared statement of Mr. Stahl follows:]

**PREPARED STATEMENT OF ANDY STAHL, EXECUTIVE DIRECTOR, FOREST SERVICE
EMPLOYEES FOR ENVIRONMENTAL ETHICS**

My name is Andy Stahl. I am Executive Director of Forest Service Employees for Environmental Ethics, a 10,000-member coalition of civil servants who manage our national forests and citizens who own them. Thank you, Mr. Chairman, for this invitation to offer our perspective on the Federal Land Recreation Enhancement Act ("FLREA").

My testimony will address the following: (1) free vs. fee recreation; (2) land manager incentives; and, (3) our recommendations.

FREE V. FEE RECREATION

For many people, access to FLREA's "standard amenity" recreational opportunities is free of charge. These people include up to 50 million Americans who are permanently disabled (plus up to 3 additional accompanying adults), 60 million Americans under the age of 16, over 2 million active duty, reserve and national guard personnel and their 1 million spouses (plus up to 3 additional adults in a vehicle), and an unknown number of volunteers who contribute 250 service hours to land management agencies (plus up to 3 accompanying adults). In addition, about 50 million Americans 62 years of age or older qualify for almost-free recreation at a life-time cost of \$10 (plus up to 3 additional adults in the vehicle).

In sum, over one-third, and perhaps as many as one-half of Americans, are eligible for free or almost-free vehicular access to Federal land recreation opportunities for which the rest of America pays an annual or per visit fee. These opportunities include the use of standard amenity recreational facilities on national forests and BLM lands.

Few people begrudge these folks the free recreation on Federal land that they enjoy. But, if we deem these Americans eligible for free or almost-free Federal land recreation, why should not other Americans also enjoy free access to the public lands they own in common? For example, other public employees, such as firefighters and police officers, risk their lives in the line of duty no less than do our military heroes. Single mothers are, on average, more strapped financially than are seniors (compare median household income for seniors of \$45,763 versus \$25,172 for single moms). And is volunteer service to a Federal land management agency of any less value to society than volunteering through a church, food bank, school, or scouts, as 64 million Americans do each year?

LAND MANAGER INCENTIVES

It has been argued that recreation fees provide a market-like incentive to Federal land managers to provide the recreation demanded by fee payers. It's a nice theory, but has not worked well in practice. Recreation managers get no signal regarding the type or location of recreation desired by users when they purchase an \$80 America the Beautiful annual pass. The annual pass provides as much information about recreation preferences to managers as taxes tell Congress how much to spend on Medicare versus food stamps.

Even where day-use fees are collected on site, the budgeting practices of Federal bureaucracies often muddy the market signals. As former Oregon Dunes National Recreation Area district ranger Ed Becker explains in the attached essay, "it was evident that the Fee Demo funds collected on the Oregon Dunes Recreation Area were being used to offset reduced appropriations across other districts in the southern zone. Tracking these funds at the level of the Supervisor's Office became a futile exercise as appropriated, partnership and Fee Demo funds were mixed and shifted between resource programs and districts." Ranger Becker's experiences moved him from an avid fee proponent to a disenchanted recreationist "trying to decipher the myriad of passes that will keep me from getting a parking citation." To illustrate, the attached photograph of the Cape Perpetua Overlook shows no fewer than three

official Government placards that try to explain the fee program at this standard amenity fee site (also see photo attached for a picture of the \$5 "amenity"). Last week, during a several-hour visit to the overlook, I noted that four-fifths of the automobiles parked at the site did so without paying the fee or exhibiting one of the eligible annual passes.



Cape Perpetua Overlook Fee Signage



Cape Perpetua Overlook amenity



Cape Perpetua Overlook's Priceless View

Ranger Becker's experience is not an isolated one. At the Mendenhall Glacier visitor center (the first built on national forest lands), the Forest Service re-allocates fees collected at the center to subsidize low-revenue recreation facilities elsewhere on the vast Tongass National Forest. Even while the visitor center's facilities are often overwhelmed with cruise boat tourists who experience less-than-clean bathrooms and the courtesy of having to pay to enter what is predominately a commercial gift shop. Annual passes and the re-allocation of day-use fees from popular sites to subsidize lesser-used facilities waters down whatever "incentive" signals fees might otherwise provide to managers.

RECOMMENDATIONS

What makes sense for almost half of Americans should make sense for all. FSEEE recommends that Congress re-authorize FLREA, but delete the authority in 16 U.S.C. 6802(f) to charge standard amenity recreation fees on Forest Service, BLM and Bureau of Reclamation lands. This amendment would retain fee authority for entrance to national parks and for the "expanded amenity" recreational uses for which fees have been authorized since 1965, e.g., developed campgrounds and cabin rentals.

We also recommend that the recreation appropriations for the three affected agencies be increased by an amount no less than the value of the standard amenity fee receipts paid in 2012.

From Forest Magazine, Summer 2008

FEE DEMO: A PROMISING PROGRAM FALLS SHORT

(By Ed Becker)

I first heard about the Recreation Fee Demonstration program in 1997 when I was the district ranger on the Oregon Dunes National Recreation Area in the Siuslaw National Forest. At the time, I was excited by the prospect of a fee program. U.S. Forest Service ranger districts were increasingly impoverished and struggling to fund natural resource programs, and I believed that a local fee program would serve us better than the top-down Federal budgeting process. It ap-

peared as though Fee Demo just might be the lifeboat that was needed to keep the Oregon Dunes Recreation Area afloat. Our district was the second field unit in Region Six to implement the new legislation.

The time was ripe for a change. During the mid-1990s, the Clinton Administration was discussing ways to increase Government efficiency and improve customer service. Federal agencies were rewarded for innovative, "market-based" approaches to achieving these goals. Most of us can still remember Vice President Gore smashing ashtrays with \$500 government-purchased hammers to emphasize the need to reduce Government waste. Fee Demo legislation appeared to be a good first step toward more stable recreation funding, while providing for better customer service.

As a district ranger, I found two basic principles of the Fee Demo program especially appealing. First, and most importantly, 80 percent of the day use fees collected would remain on the local unit and be immediately available to invest on the same unit for improvement of facilities, as well as interpretive and other natural resource programs. The other 20 percent would be returned to the Regional Office, where the funds would be spent on administrative costs and agency overhead. These tenets were expanded in 1998 when all campground fees, which were previously returned to the Federal Treasury, became available to on-site managers under the Fee Demo program.

The second principle of Fee Demo that I believed was essential for its success was that the fees collected would not offset congressionally appropriated funds made available through the normal budgeting process. In other words, fee demo dollars would be supplemental to the annual funds that field units received to manage their natural resource programs. This was especially critical. Supporters of Fee Demo understood that the success of the program was directly linked to showing the public that they were benefiting from paying additional fees.

Fee Demo provided recreation managers with an incentive to collect funds from various recreation user groups and to invest those funds in improved facilities and customer service. The belief was that if managers offered well-operated and well-maintained facilities, then recreation users would return and provide the revenues needed to sustain those and other worthwhile services. Conversely, customers would not return to recreation sites that provided poorly maintained facilities and inadequate services.

During fiscal year 1997, the Siuslaw National Forest in Oregon received authority to begin implementation of the Fee Demo program. It was not well received by residents along the central Oregon coast, who were accustomed to accessing recreation areas at no charge. At a time when the coastal economy was suffering from losses in timber and commercial fishing jobs, many felt that Fee Demo was just another economic hurdle to overcome in pursuit of outdoor recreation.

The arguments mirrored those in communities across the West: Fee Demo as just another tax on top of the Federal taxes already paid; it would likely cost more to collect the fees than what would be gained. And eventually, the fees would disappear in to the "black hole" of the Federal bureaucracy, leaving nothing for local improvements. However, at the time I was convinced these scenarios could be avoided, and focused on making sure the program was successfully implemented on the Oregon Dunes.

The summer of 1997 was difficult. We built collection booths, installed fee vending machines and tried to explain the benefits of Fee Demo to a doubtful public. I don't remember hearing much public support for the program. Recreationists who came in large numbers to drive their dune buggies and all-terrain vehicles were especially vocal. They believed Fee Demo was another step toward complete closure of the Oregon Dunes to motorized recreation. The Surfrider organization challenged the Forest Service in court over having to pay fees to use public roads to access recreation areas outside the Recreation Area boundary. They won.

But despite the occasional episodes of discontent, by the end of fiscal year 1998 public outcry began to subside. We collected fees and deposited them in the local bank rather than sending them to the Federal Treasury. The Fee Demo money allowed us to plan and implement a variety of projects. We replaced campground and day use area restrooms, added shower facilities, expanded beach access parking lots, improved hiking trailheads and trails and refurbished our visitor center in Reedsport with new exhibits and 24-hour access to visitor information. The forest provided an annual report informing the public on how Fee Demo funds were spent.

By 1999, the Oregon Dunes Recreation Area was collecting close to three-quarters of a million dollars annually in day-use fees; this was in addition to the \$1 million in recreation appropriations the unit had historically been allocated through the Federal budget process. I was starting to believe the Fee Demo program was an unqualified success—but that was about to change.

As the pot of Fee Demo money grew in the Dunes Recreation Area, the disparity between district recreation programs on the Siuslaw National Forest that had large sums of fee dollars and those that didn't became more evident. In 1999, new forest leadership attempted to address that disparity. The Supervisor's Office reduced Federal recreation appropriations to our area and allocated more money to districts that had collected fewer Fee Demo dollars. This "leveling" process reduced the Oregon Dunes' working budget by half and required the unit to operate mainly on Fee Demo and partnership funds. Forest-level decisions resulted in a series of inter-district "transfers" of Fee Demo funds to keep other facilities open. At the supervisor's direction, Fee Demo funds were also used to shore up declining appropriated funds across the forest. In addition to recreation, fee demo funds were now being used for law enforcement, wildlife habitat protection and other natural resource programs.

A continuing decline in the Siuslaw National Forest's budget eventually led to a forest reorganization, which in turn ushered in a "zoning" of available resources, as well as Fee Demo funds, across some district boundaries. By 2000, the forest was consolidating ranger districts and managing coastal recreation as a zone organization, with centralized control of Fee Demo funds coming from the Supervisor's Office, rather than the Ranger Districts. By the end of 2001 it was evident that the Fee Demo funds collected on the Oregon Dunes Recreation Area were being used to offset reduced appropriations across other districts in the southern zone. Tracking these funds at the level of the Supervisor's Office became a futile exercise as appropriated, partners hip and Fee Demo funds were mixed and shifted between resource programs and districts.

The original principles of Fee Demo—that most fees would be reinvested on the collecting unit and that the fees would not offset appropriated funds—were gradually being discarded. Accountability for Fee Demo funds was becoming less transparent, and was falling victim to traditional bureaucratic budget processes. I was starting to realize that negative public sentiment regarding the Fee Demo program might be correct after all.

As Congress debates permanent legislation, I hope it takes a close look at Fee Demo's inherent weaknesses: confusion over passes and enforcement, collection costs, funding too much overhead with fee dollars, the public's avoidance of some areas for fear of being cited, and the "disappearance" of Fee Demo funds in to the Forest Service's budget. It won't be easy to kill Fee Demo—it's already firmly embedded in the agency's budget, and the bureaucracy will resist any attempt to extract these funds from the system. And certainly increased funding for public recreation programs needs to come from somewhere. However, I've come to believe the original 1996 Fee Demo legislation has been misinterpreted and misdirected, and I'm not sure that the new Federal Lands Recreation Enhancement legislation, the permanent fee collection program that replaced the fee demo program in 2005, will be any better.

I retired from the Forest Service in 2003 and now view the Fee Demo system from the position of a member of the public rather than a Federal manager. As a hiker and backpacker, I frequently use Forest Service parking lots and trailheads, and find my self trying to decipher the myriad of passes that will keep me from getting a parking citation. Each year I buy the latest annual pass. I've evolved from using the Siuslaw National Forest Annual Pass, the Oregon Coastal Pass, the Northwest Forest Pass and the Golden Eagle Pass, to the new and improved America the Beautiful Pass that provides access to all Federal recreation sites in the country. As with most users of Federal lands, I try to be legal and truly want to support public outdoor recreation. I also find myself avoiding some recreation sites for fear I haven't got the correct pass for that particular area.

Last summer, after 9 days of backpacking in the North Cascades National Park in Washington, I arrived back at my car to find a yellow parking citation from the Mount Baker-Snoqualmie National Forest. My America the Beautiful Pass was clearly visible on my dashboard, and I concluded that even the fee collector was confused as to whether my \$80 pass was legal. Forest visitors aren't the only ones experiencing "pass confusion" these days.

I deposited the citation in many little pieces in the garbage can next to the Easy Pass trailhead restroom. It felt good not to litter.

Ed Becker retired from the U.S. Forest Service in 2003 after 28 years. He spent his last 12 years as a district ranger on the Siuslaw National Forest, and wrote in favor of the Fee Demo program in Inner Voice, 1998.

Mr. BISHOP. Thank you. And last, but not least, Ms. Benzar.
Ms. BENZAR. Benzar.

Mr. BISHOP. We are happy to have you here, we are ready for your testimony.

STATEMENT OF KITTY BENZAR, PRESIDENT, WESTERN SLOPE NO-FEE COALITION

Ms. BENZAR. Thank you, Mr. Chairman, Ranking Member Grijalva, and members of the Subcommittee. Although the FLREA covers five Federal land management agencies, I am going to focus my remarks this morning on just two of them: the U.S. Forest Service and the Bureau of Land Management.

I first testified about the actions of these two agencies to evade the requirements and restrictions in FLREA at the U.S. Senate in 2005, only 10 months into implementation of the law. The problems I described then were the same ones I brought to the next oversight hearing in this very chamber 5 years ago this month. Today I am here to tell you that the problems are the same, they are still there, they are getting worse.

Fee demo, the predecessor program to FLREA, was an experimental program which allowed the Forest Service and BLM to charge fees without limitation for any area or activity. They use this authority to begin, for the first time in American history, charging entrance fees for entire national forests, and for general access to undeveloped areas.

For the millions of Americans who live adjacent to and surrounded by national forests and BLM lands, having to pay a fee just to visit them amounts to having to buy a pass to leave the city limits. That is where we go for a Saturday afternoon walk in the woods. That is where we take our kids fishing and hunting. That is where we walk our dog, ride our horse, ride our mountain bike, ride our off-highway vehicle.

So, when the public first experienced this vast panoply of fees charged under fee demo, there was outrage. Citizens protested, formed organizations, and engaged in civil disobedience. Most importantly, we began contacting Congress. By the end of the fee demo era, there was insufficient support in Congress to extend the fee demonstration. Our voice was getting through. You had heard us.

So, in FLREA, Congress was reacting to the public's voice by placing restrictions and requirements on the Forest Service and BLM to curtail their fee authority. In a press release issued by the House Resources Committee Chairman at that time, "This will put an end to fears that Federal land managers cannot be trusted with recreational fee authority, because we lay out very specific circumstances under which these fees can be collected and spent."

But I fear the Chairman underestimated the land management agencies' ability to maneuver between the lines of the statute. The Forest Service and BLM have acted to subvert congressional intent. They found ways to continue pretty much as they did under fee demo. Indeed, there is not a single section of FLREA that has achieved the intentions of its authors. After it was enacted in December 2004, very few fees were eliminated, and more than 1,000 new and increased fees have been imposed since.

With the exception of entrance fees for national parks or for the use of developed facilities such as campgrounds, fees for access re-

main broadly unpopular with the public. One way the Forest Service and BLM evade the law's restrictions is by declaring something as simple as a family hike to be a specialized use, and requiring a permit fee for it. Another is by installing unneeded amenities at access points like trail heads, and then charging for parking anywhere in the vicinity, even though the vehicle's occupants are only using undeveloped back country, and FLREA prohibits fees solely for parking.

When the Forest Service doesn't even care to pay lip service to congressional intent, they give facilities to concessionaires to manage, and then say FLREA, i.e. congressional direction, no longer applies to the fees charged to the public there. The fee programs operated by the Forest Service and BLM have excessive overhead and cost-of-collection expenses, they evade congressional intent, as expressed in the statute, they have contributed to declining visitation and the resultant economic harm to local and rural communities.

Congress attempted to move beyond the anything-goes fee demonstration when it enacted FLREA in 2004. Unfortunately, the Forest Service and BLM chose to ignore the specific circumstances under which fees can be collected as laid down in the law. It is in the interest of Congress and the public to try again, and with FLREA approaching its sunset, now is the time.

There are three choices before you. If you renew FLREA, the problems I have described today and the others in my testimony will continue to worsen. If it sunsets, there will be no statutory restraint on recreation fees at all. I urge you to start now to replace FLREA with a better law, written to restore the public's right to basic access, and with such clarity that its intent cannot be misconstrued.

I believe that such a law is possible and absolutely necessary. It has been 16 years since fee demo was enacted. We have learned what works and what does not, what the public will accept, what it will not, what is fair and what is not. It is time to stop experimenting, and to build upon that which we have already learned. I and the public supporters I represent will be happy to place our experience and resources at your service to help craft it. Thank you.

[The prepared statement of Ms. Benzar follows:]

PREPARED STATEMENT OF KITTY BENZAR, PRESIDENT, WESTERN SLOPE NO-FEE COALITION

Mr Chairman and Distinguished members of the Subcommittee:

Thank you for the privilege of testifying before you today as you examine the implementation of the Federal Lands Recreation Enhancement Act. I am Kitty Benzar, President of the Western Slope No-Fee Coalition. These days I'm an unpaid advocate for public lands, but for much of my life I've been a businesswoman reliant on outdoor enthusiasts for my living. I have managed an outfitter/guide service in a National Park, owned and operated a campground/RV park, and run a 4WD vehicle rental service. I have also personally enjoyed many forms of outdoor recreation on public lands, and they are precious to me, as I'm sure they are to you and millions of other Americans.

The Coalition is a broad-based network of people with diverse recreational interests but a shared concern about the excessive financial barriers that have been erected under Fee Demo and the FLREA for access to Federal public lands.

Fee Demo, the predecessor program to the FLREA, allowed the agencies to charge fees without limitation for any area or activity. Fee Demo was very unpopular, and

my organization and others around the country originally formed in direct opposition to it.

The FLREA was supposed to address the problems with Fee Demo by placing limits and requirements on where, and for what activities, fees could be charged. As stated in a press release issued by the House Resources Committee Chairman at the time:

“This will put an end to fears that Federal land managers cannot be trusted with recreational fee authority because we lay out very specific circumstances under which these fees can be collected and spent.”

I fear the Chairman underestimated the land management agencies’ ability to maneuver between the lines of the statute. They have found many ways to continue pretty much as they did under Fee Demo. Indeed, there is not a single section of the FLREA that has worked as intended by its authors. After it was enacted in December 2004, very few fees were eliminated and there have been more than a thousand new and increased fees imposed since. The public has yet to reap the promised benefits of fees in the form of improved facilities, and the agencies continue to report growing maintenance backlogs. Instead of supplementing appropriated revenue, fees have supplanted it. Because appropriated funding is siphoned off into ever increasing agency overhead, less and less dollars are making it to the ground. As a result, local managers are being forced to use fee revenue for day to day basic operations.

Today I’d like to share with you six examples of problems with the FLREA, as well as some ideas for what should be included in future legislation to replace it as it approaches its sunset date.

1. THE FOREST SERVICE AND BLM ARE EVADING THE FLREA’S REQUIREMENTS AND RESTRICTIONS ON THEIR FEE AUTHORITY

The FLREA authorizes four types of recreation fees, with requirements and restrictions placed on each one. The restrictions include prohibitions on charging for general access or passing through Forest Service, BLM, or Bureau of Reclamation lands when no developed facilities and services are used. Despite these prohibitions, fees are being charged today for access to thousands of trails that lead through undeveloped backcountry, for access to rivers and lakes for undeveloped recreation, and for roadside parking and scenic overlooks—all of which are prohibited by the FLREA.

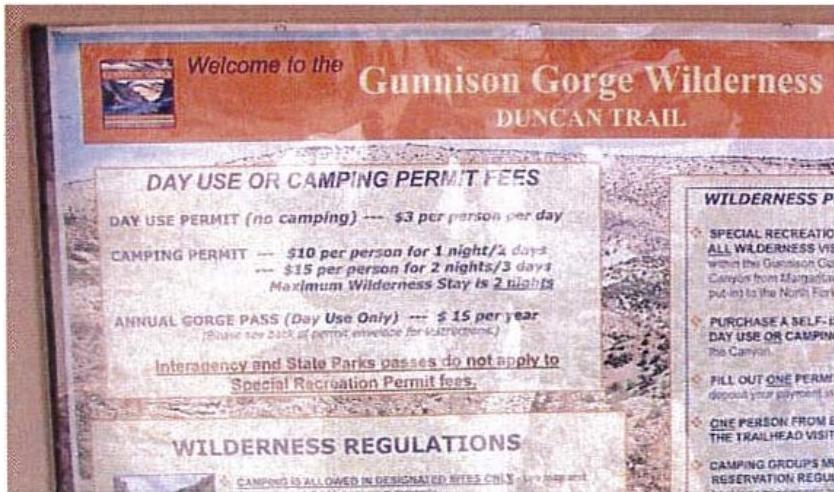
The Forest Service and BLM have justified these fees in one of two ways. Either they have installed amenities under the Standard Amenity Fee authority and then charged a fee for them whether they are used or not, or else they have declared all use of certain undeveloped areas to be a “specialized recreation use” under the authority of the Special Recreation Permit authority in the FLREA.

The “build it and they will pay” approach, favored by the Forest Service, has resulted in unneeded and excessive facilities being erected that add to maintenance backlogs, merely in order to justify charging a fee.



An unneeded picnic table gathers weeds at a trailhead on the Coconino National Forest. It was installed to meet the requirements for a Standard Amenity Fee, even though the site is not visited for its amenities, but because it provides access to undeveloped backcountry.

The Special Recreation Permit approach, used especially by the BLM, imposes fees not for “specialized recreation uses,” as the law says, but for all use of “special areas”—as defined by the agency—resulting in fees for access even to primitive areas and the categorization of something as simple as a family hiking trip as a “specialized use.”



All access to the Gunnison Gorge Wilderness in western Colorado (BLM) requires a fee, even though the area is completely undeveloped as a matter of law.

The FLREA authorizes Entrance Fees for National Parks and Wildlife Refuges only. These, along with Expanded Amenity Fees for developed campgrounds, have been the least controversial of all fees. However some National Parks impose additional fees for things that should be part of the core experience of a park, such as

interpretive programs and backcountry camping. Those layered fees are excessive and should be discontinued.

2. THE PUBLIC PARTICIPATION REQUIREMENTS IN THE FLREA HAVE FAILED

One of the chief complaints about Fee Demo was its failure to give the public a voice in the implementation of recreation fees. The FLREA addressed this with a lengthy section on Public Participation that requires public support to be obtained and documented before new fees can be imposed or existing fees increased. It calls for the establishment of Recreation Resource Advisory Committees under the authority of the Federal Advisory Committee Act, to review and make recommendations on proposed fees. The RRAC process has proven to be cumbersome, inconsistent, expensive, and easily manipulated by the agencies to the exclusion of real public participation.

Five RRACs are chartered by the Forest Service, while 17 existing BLM Resource Advisory Councils serve double duty as RRACs for areas under their jurisdiction. The Forest Service RRACs vary in jurisdiction from the Eastern RRAC, which covers 21 States, to the California RRAC, which covers just one. The BLM RRACs in Utah and Arizona each cover an entire State, while Idaho and New Mexico have four RRACs apiece. As a result of this inconsistency, some RRAC members are very familiar with local conditions while others are making decisions that affect places they know little about.

The BLM committees estimate in their charters operating expenses of \$50,000 per year each, while the Forest Service charter calls for between \$89,000 and \$117,000 per year per RRAC. These costs are, remarkably, not accounted for as direct costs of the fee program by either agency.

More important than this inconsistency and expense is the way that the agencies have manipulated the process. RRAC members are appointed by the agencies. They tend to represent groups or interests that are beholden in one way or another to the USFS or BLM; in other words if they don't go along, the agencies have ways of getting even. But because they are usually selected from among people the agencies already have a cozy relationship with, few RRAC members show any reluctance in approving virtually every proposal they see, even when evidence of general support is lacking. In fact many proposals have been approved even when the public comments demonstrate general opposition. In the rare instances when an individual has not voted to go along with the agencies, that person does not get re-appointed to the RRAC, or in at least one case resigned in protest.

Here are the RRAC decisions from 2007 to the present, based on meeting minutes:

| Fee Increases Approved | New Fees Approved | Fee Proposals Denied or Tabled by RRAC | Fee Proposals Withdrawn by Agency |
|------------------------|-------------------|--|-----------------------------------|
| 968 | 365 | 49 | 12 |

When more than 96 percent of proposals are approved, the process amounts to little more than a rubber stamp operation. Rather than embodying public opinion, RRACs are used to lend an air of legitimacy to fee schemes that would never survive an open public process.

3. PRIVATIZATION OF NATIONAL FORESTS IS DILUTING THE VALUE OF FEDERAL RECREATION PASSES AND COMPETING WITH PRIVATE ENTERPRISE

The FLREA established the "America The Beautiful" (ATB) Pass, and specifies that it covers Entrance and Standard Amenity Fees. The \$80 annual version of the ATB Pass replaced the popular National Parks Passport, which was a \$50 pass for entry to all the National Parks. The ATB Pass was envisioned as an upgraded Parks Passport that, for a small extra charge, would cover the National Parks and also most USFS and BLM fees other than camping. It was designed to address a frequent complaint that recreation fees were nickel-and-diming people. But on the National Forests, the ATB Pass confers few benefits because of rampant privatization.

The Forest Service has transferred half of its campgrounds, including 80 percent of the most highly developed ones, as well as many day-use facilities, to private concessionaires to manage. The Service takes the position that once a facility is under concessionaire management, the FLREA no longer applies there.

Under this interpretation, day-use fees charged by concessionaires are not Standard Amenity Fees as defined in the FLREA, hence ATB Passes do not have to be accepted to cover them. At day-use facilities all over the country that are owned by

the American people and were built with Federal funds, signs are popping up saying "Federal Passes Not Accepted Here."



While Forest Service-managed sites must allow certain uses without a fee, private concessionaires are allowed to charge for anything. They are not required to accept Federal passes and in fact are allowed to issue their own private passes for access to Federal facilities.

Senior/disabled versions of the ATB Pass replaced Golden Age/Golden Access Passes, which had been in effect for over 30 years. Golden Passes guaranteed passholders a 50 percent discount on fees in developed campgrounds. The FLREA did not mandate this discount for senior/disabled ATB passes, but it did specify that Golden Passes have to be honored on their original terms "to the extent practicable." As a matter of policy, the Forest Service has extended the 50 percent camping discount to holders of both Golden and senior/disabled ATB Passes and required their concessionaires to do so as well. Many passholders rely on this camping discount in order to be able to enjoy outdoor recreation on a limited income.

But because they are in business to make a profit, concessionaires see every senior and disabled pass as a direct hit to their bottom line. In 2010 they succeeded in convincing the Forest Service to propose eliminating the camping discount at concessionaire-managed campgrounds. [Federal Register Vol. 229, No. 74, p.62736] That proposal was met with fierce resistance by seniors and disabled veterans and was ultimately withdrawn by the Service, but concessionaires are still being allowed to refuse Federal passes for day use of Federal recreation facilities, which they increasingly manage.

The Forest Service creates new fee sites without public notice or participation by placing a previously-free facility into a concessionaire permit. Often these sites have been recently renovated and upgraded, at Federal expense, before being privatized. It is also common for an agency-managed campground that was charging a modest fee to be renovated at taxpayer expense in order to attract bids from concessionaires, then transferred into for-profit operation at a higher cost to the public.

Forest Service officials frequently appear to place concessionaire profitability ahead of public good. One of the main benefits to the Forest Service under the FLREA is the ability to retain recreation revenue instead of sending it to the Treasury for appropriation by Congress. Fee retention, coupled with authority to charge for developed campgrounds and day-use sites, could provide an avenue for the forests to take back their recreation facilities and manage them so as to provide simple, basic services at an affordable price. They have chosen instead to privatize ever more recreation by transferring facilities to private entities, resulting in higher costs to the public.

Recently concessionaires have been pushing to expand their footprint on the National Forests even more, meeting with USFS and USDA officials behind closed doors to ask for 20 to 30-year permits, instead of the current 5 to 10, and permission to spend private capital on, and own private property rights in, things like utility hookups, wifi, in-season and on-site RV storage, cabins/RV/tent rentals, camp stores and new recreation offerings (like disc golf). While these things have a legitimate market, they belong on private, not public, land. It is not appropriate for Federal recreational lands to be developed to meet this demand at the expense of, and in direct competition with, private sector enterprises.

4. FEE PROGRAM OVERHEAD COSTS ARE EXCESSIVE

The FLREA mandates that no more than 15 percent of fee revenue be used for “administration, overhead, and indirect costs.” But the agencies play shell games with how expenses are categorized, attempting to show some semblance of compliance in reports to Congress, while actually spending far too much fee revenue—well in excess of the 15 percent limit—on the cost of collecting and administering fees.

A good example is the Red Rock Pass on the Coconino National Forest, a Standard Amenity Fee program. All Red Rock Passes are sold through third-party vendors; none are sold directly by the forest. Local businesses and the natural history association sell passes and keep 10 percent as a sales commission. The provider of automated pass vending machines scattered around the forest takes a commission on a sliding scale, averaging 48 percent. All together, sales commissions average 22 percent of gross revenue, before a penny of administrative or other costs are considered. The forest tells the public that 95 percent of the fees they pay stay on the Red Rock Ranger District. That is very misleading, because they get 95 percent only of the 78 percent the forest nets after commissions. The district actually receives only 74 percent of fees paid, and out of that must pay administrative, overhead, enforcement, and other costs, leaving very little to actually benefit the public.



Vending machines like this one keep an average of 48 percent of the amount paid as a sales commission to the vending company.

Another example is the fee program at Imperial Sand Dunes Recreation Area in southern California, managed by the BLM El Centro Field Office primarily for OHV recreation. BLM uses a contractor to administer the implementation of the fees, which averaged about \$2.5 million annually over the past 3 years. Over the same period, payments to the fee contractor averaged almost \$900,000 per year, or about 36 percent. So the BLM receives only 64 percent of fees paid, and from that must first pay their overhead and administrative expenses, leaving precious little to spend on improvements or deferred maintenance.

As described previously, the cost of operating the RRACs is not accounted for as an overhead cost of the fee programs by either the USFS or BLM, even though their sole function is to review fee proposals.

The most recent GAO report on recreation fees (GAO-06-1016) identified several serious financial issues and called for routine audits of all recreation fee programs. But such audits are still extremely rare, leaving fee revenues highly vulnerable to waste, fraud, and abuse as well as casting all claims regarding overhead expenses in a dubious light. On the National Forests and BLM lands, fees charged under the FLREA have failed to produce the promised public benefits and have resulted in little net revenue to the agencies.

5. RECREATION FEES ARE BAD FOR THE ECONOMY

Public lands are often touted as economic engines, and it's true. When people go to the public lands for recreation they purchase groceries, gas, sporting goods, lodging, guided tours, outfitting services and more. Struggling rural communities, especially, need these visitors. Anything that dissuades people from outdoor recreation hurts their economies.

The explosion of recreation fees began in 1997, under Fee Demo. The Forest Service was then claiming 800 million visitors a year and headed toward a billion. The BLM reported 60 million recreation visits. They justified the need for directly retained recreation fees as a way to deal with this onslaught.

But a funny thing happened on the way to the future. As the Forest Service started to get better measurement tools they discovered their visitation was only about a quarter of what they thought, and it has been on the decline with each successive report.

BLM recreation visits dropped to as low as 51 million in 2001, and although making a slow recovery they have stayed stuck well under the 60 million per year they were in 1997, despite population growth in the neighborhood of 15 percent since then.

Although the land management agencies deny that fees are a deterrent to visitation, they offer occasional fee-free days in an attempt to lure people back. It's only common sense: as the price of outdoor recreation rises, people turn to other alternatives. That hurts local economies, but most of all it hurts the American people when they are dissuaded from active outdoor activities and contact with nature.

6. THE REVENUE IS CONCENTRATED IN THE PARK SERVICE; THE PROBLEMS ARE CONCENTRATED IN THE FOREST SERVICE AND BLM

The most recent report to Congress showed that of the 3-year average fee revenue of about \$260 million, \$171 million or 66 percent of it was collected by the National Park Service. The Forest Service collected an average of \$65 million, or 25 percent, while the BLM collected only \$17 million, or 6.5 percent. The Bureau of Reclamation and Fish and Wildlife Service combined collect only a negligible amount. Most fee revenue, by far, comes in as National Park entrance fees and sales of national passes, 83 percent of which are purchased from the National Park Service.

The bulk of recreation fee revenue is generated by the Park Service, yet the problems I have described by and large relate to the Forest Service and the BLM. These two agencies have long waged a campaign with Congress and the public to be treated just like National Parks. But by their irresponsible use of the recreation fee authority given to them by the FLREA the Forest Service and BLM, instead of elevating themselves to the same level as National Parks are instead dragging the Parks down.



Fees like this one, for general access and roadside parking in a National Forest in New Hampshire, are prohibited by the FLREA, but are still being charged

National Forests and BLM lands are not National Parks, and the American public knows that. The National Parks are where we go for our summer vacation or that dream rafting or backpacking trip of a lifetime, or that long cross-country road trip.

The National Forests and BLM are where we go for a Saturday afternoon walk in the woods, take our kids fishing or hunting, walk the dog, or ride our horse, mountain bike, or OHV.

Especially in the west, we live surrounded by National Forests and BLM lands. Having to pay a fee just to visit them amounts to having to buy a pass to leave the city limits. That is wrong, and it was one of the chief complaints about Fee Demo. Congress understood that and agreed; it's why they enacted the FLREA. But the Forest Service and BLM have acted to subvert congressional intent. Their fee authority should be uncoupled from that of the NPS and much more strictly constrained.

CONGRESS MUST RE-COMMIT TO PUBLIC LANDS

The Federal Lands Recreation Enhancement Act is due to sunset at the end of next year. If Congress does not act *this* year, the agencies will not have authority to offer a full year of benefits to purchasers of annual America The Beautiful Passes, which would be a \$20 million hit to the available funds for the Park Service alone. So time is of the essence.

There are three choices before you: renew the FLREA as is, allow it to sunset, or replace it with a law that works better for both the agencies and the public.

If you renew it, all the problems I've described will continue to worsen. If it sunsets, there will be no statutory restraint on recreation fees at all. I urge you to start now to replace the FLREA with a better law. I believe that such a law is possible, and absolutely necessary.

In considering legislation to replace the FLREA, Congress should re-commit itself to these principles:

That all Americans and visitors must have access to healthy and active outdoor recreation activities and other benefits offered by a system of federally managed lands.

That recreation fee programs must take into consideration that Federal lands are public lands for which other funds are made available by Con-

gress and fees are not intended to cover the entire cost of recreation management.

That recreation fees are supplemental to funds provided by Congress and should only be imposed where there is a demonstrated need to provide supplemental benefits; thus fee revenues should be expended to directly benefit those who paid them.

New legislation should ensure that

- Fees are focused on use of developed or specialized facilities for which there is a demonstrated need;
- Entrance fees are limited to National Parks and Wildlife Refuges;
- Concessionaire fees are governed by the same requirements as agency fees;
- Fees for special uses are carefully defined and never applied to private, non-commercial use of undeveloped or minimally developed areas; and
- Ironclad agency financial accountability is established.

The Federal Lands Recreation Enhancement Act has failed to rein in Forest Service and BLM over-reach, thwarting congressional intent. It is time for Congress to take a hard look and a new approach, and I thank the Subcommittee for beginning that process today.

Mr. BISHOP. Thank you. I appreciate the testimony from all of our witnesses who have come here today. We will now turn to the Committee for questions.

Mr. Gosar, it would be nice if you were here. But, instead, Mr. Tipton from Colorado, who is much—I am sorry, you are much more handsome—you have got 5 minutes.

Mr. TIPTON. Is this being recorded?

Mr. BISHOP. I hope not.

Mr. TIPTON. Thank you, Mr. Chairman. I would like to thank the panel for being here—Kitty, in particular, coming from my neck of the woods on the West Slope of Colorado. And just listening to your testimony right now, you brought up overhead expenses, in terms of the collection of the fees. Do you have an idea—and maybe I can have the spokesmen for the Department of the Interior and the Forest Service speak to this, as well—how much of the fees are eaten up by overhead?

Ms. BENZAR. Thank you, Congressman. They can tell you what is in the triennial reports that they have submitted to Congress. I can tell you that many of the actual overhead expenses of the fee programs don't get included in what they consider overhead when they report that.

For example, sales commissions to vendors of passes, private vendors that sell passes to Federal lands, are typically not included as an overhead cost. And we have a case in Arizona where that averages 22 percent of their gross revenue. There is a case at Imperial Sand Dunes, a BLM site in southern California, where just the contract with the private company that they hire to collect the fees is about 36 percent, and north of that, of the gross revenue that they bring in, just to collect the fees.

So, some of these expenses are very, very high, but are not reported as part of their overhead because of the way they do their accounting.

Mr. TIPTON. In your written testimony you have a photo of a picnic table in the Coconino National Forest being crowded out now by weeds, never being used, because it is simply a trailhead.

Ms. BENZAR. Yes.

Mr. TIPTON. For people to be able to get back in. Do you think it would be an appropriate step for the Department of the Interior, the Forest Service, to examine some of the different requirements that are going to be necessary for fees, eliminate some, and still be able to provide the service, i.e. the picnic table, save the money?

Ms. BENZAR. The picnic table is there because, without a picnic table, that site would not have qualified for a standard amenity fee. That is a classic case of the "Build it and They will Pay" syndrome. The law is written in such a way as to incentive the agencies to install unneeded, unnecessary, inappropriate facilities and amenities in places where the public has no use for them, and then they turn around and charge the public for what we do have a use for, which is access to the back country. That site is solely a trailhead.

Mr. TIPTON. Right. Ms. Haze, Ms. Weldon, maybe you could speak to this. Do you do some sort of analysis, in terms of how to be able to better collect the fees and to be able to reduce some expenses, so that the dollars can go where they actually need to go?

Ms. WELDON. Yes. Thank you for your question. Over the years, with our implementation, that is something that we have paid close attention to, and I think we have made good progress in getting additional consistency at the forest level, and even across forests at the national level, to ensure that we are very consistent in meeting the intent of the law. But also, looking for those places that we can gain additional flexibility, so that we can be responsive to what citizens want to see to improve their recreational experience.

Mr. TIPTON. Great. While we are on the Forest Service, we had some testimony in another committee hearing a few weeks ago. We are hearing there aren't enough resources without the volunteers, without the fees, to be able to take care of these public lands. But in the Forest Service budget, they are requesting an additional \$60 million to acquire new lands. Would it be more appropriate for us to maybe use those dollars to be able to take care of the lands that we currently have?

Ms. WELDON. Thank you. I think there are different authorities, as far as the line items that we have. The land acquisition fund can't be applied to recreation. So that is the challenge that we have, is with the appropriated dollars. How can we keep that focus for improving recreational services? So we are focused more on prioritizing within the funding sources that we have.

Mr. TIPTON. Well, and I think that is something that we really need to be working on, because we talk about isolated pots of funds as though it is a Federal mandate, "We must do this." And I am going back to Ms. Benzar's statements, I remember a time growing up in Colorado when you just were able to go on to the Forest Service land. You were able to pitch a tent and be able to actually enjoy those public lands with no fees being associated with it. But we continue to grow and expand those public lands, and there simply aren't going to be enough dollars, really, to be able to manage it and maybe to bring those pots of money together and to be able to prioritize it.

Would you like to be able to speak to some of this, Ms. Haze?

Ms. HAZE. Yes, I would. In fact, I would want to point out the sequester that went into effect March 1 resulted in a reduction, as you know, of 5 percent to discretionary funds. So for our recreation

programs, that was a reduction of about \$130 million across our four bureaus—

Mr. TIPTON. It is important to note, though, with sequestration, that the majority of the Department's budgets and agencies went up, it was just a reduction in the rate of increase.

Ms. HAZE. So it was a sequester in 2013, which was flat from 2012. So I think the charts that were shown earlier about the decline in recreation funding are very pertinent, in terms of the challenges we are facing, so—

Mr. TIPTON. I am over. Thank you, Mr. Chairman.

Mr. BISHOP. Mr. Grijalva.

Mr. GRIJALVA. Thank you, Mr. Chairman. For the Forest Service and Interior, as I mentioned in my opening statement, we have seen a significant dip in the funding for parks and forests and for recreational activities. The staff on our side of the aisle produced a report entitled, "America's Best Idea Meets America's Worst Idea," and that is about what the sequester—the toll that it has taken on the national parks.

So, how are these funding impacts—how are they impacting recreation activities? That is for both of you. And are you more or less dependant now on the revenue by the Enhancement Act?

Ms. HAZE. I will begin. For the Department of the Interior, for our bureaus, Bureau of Land Management, Fish and Wildlife, Park Service, the sequester works in a way that is across the board and impacts every activity. So, as was said earlier, there isn't flexibility to move those impacts around and reduce the impact. So it tends to impact every park, every refuge, every Bureau of Land Management office and location.

And it means we have frozen hiring, we have limited our seasonal hires. In the summer we hire thousands of seasonal employees who are the face of the public lands, they are the people who are greeting the visitors, doing the interpretive walks, and the special programs that are so important. We have cut back on them. We have had to delay openings of roads and facilities, reduce hours of visitor facilities. Those are the kind of impacts we are seeing that are pertinent to recreation programs.

Mr. GRIJALVA. More dependant on recreation?

Ms. HAZE. Oh, I am sorry. So I would say we have tried to keep it in balance. For the most part, our bureaus have tried very hard not to shift the burden on to the recreation fee program, but in very limited instances user recreation fees to, for example, keep a campground open that might have been closed because of the sequester, just because these are potentially less-used areas. So we have tried to limit the use of recreation fees to alleviate the impacts of sequester, so as not to over-burden the program.

Ms. WELDON. Thank you. And echoing quite a bit on my colleague from Interior, the rec fee program, in and of itself, is an authority that really helps us in variable budget times, to have certain areas that we know that, in that partnership where citizens are willing to buy a fee, that we can reinvest there, ensure that we can, as much as possible, sustain the quality of that experience that they are expecting there.

So, the fee program itself, with sequester, with the trends that we have been seeing in general, is something that gives us that ad-

ditional stability to meet those requirements and the expectations that the public has who purchase the fees.

Mr. GRIJALVA. Thank you. Ms. Benzar, if I may. Where do you draw the line between what is an acceptable and an unacceptable fee on public lands? How do you suggest that this Committee and Congress account for that, as we work through the process of reauthorizing this particular statute?

Ms. BENZAR. Thank you, Mr. Grijalva. We find that the public is generally very accepting of fees for the use of a developed or a specialized facility, where that is something that supports an activity that they want to enjoy, campgrounds are a good example. There has never been any controversy about a fee for a developed campground. Park service entrance fees for national parks are also not controversial. The fees that are controversial are the ones that we used to be exempted from under the Land and Water Conservation Fund Act, which are things like toilets, drinking water, roads, the basics that we all pay for and support on our public lands.

Mr. GRIJALVA. And if I may follow up, your critique of the Forest Service focuses on the improper incentives in this authorized fee system that we have. How do you recommend that, as we work through the statute, how we craft to avoid the build-it-and-they-will-pay problem, as you outlined it and called it?

Ms. BENZAR. Well, I think an important step would be to eliminate almost all day-use fees. Day-use fees are the thing that was new with fee demo, starting in 1996, and where the incentive has come from, to build unneeded facilities in places that people really just want to go for a short walk in the woods, and they have to pay for things like a picnic table that wasn't there before, but now, because it is, that walk is going to cost them money.

Mr. GRIJALVA. Thank you.

Mr. BISHOP. All right. I double-checked on the name, and I know you are Mr. McClintock. You are recognized for 5 minutes.

Mr. MCCLINTOCK. Thank you, Mr. Chairman. Ms. Weldon, how does the Forest Service set fees for things like grazing, for example, or cabin rental fees?

Ms. WELDON. Thank you, Congressman. Those fees are generally set through a—I don't have the details with me, but a national schedule that we try to make consistent across the different agencies. The fees themselves are linked, for example, for cabin rental, with the value of the property, with the characteristics that are there, and then set the schedule—

Mr. MCCLINTOCK. Well, if that were true—because I have heard that before—and if that were true, then wouldn't the upwardly adjusted fees continue to show people renting them, if they are actually market rates?

Here is what I have heard from my constituency, and it is a growing concern, that there is an active effort by the National Forest Service to discourage the public from use of the public's lands. And one way they are doing that is by exorbitant increases in fees for such things as cabin rentals and grazing. The excuse is exactly the one that you just gave: "Oh, well, these were below-market rates, and we are just adjusting them to reflect the market."

The fact of the matter is that, as those fees are boosted through the roof, families that have held these cabins sometimes for generations are forced to relinquish them. But nobody is coming to rent them at the new, much higher rates. That tells me that you are not setting them according to market rates. You are setting them according to an agenda quite different from that. If nobody is renting those cabins at the new rates, that means you have adjusted them well above the market rates. And this is serving a very different policy.

Ms. BENZAR, you have been—you were mentioning a concern over this. Are you seeing this in your part of the world?

Ms. BENZAR. Congressman, I am not familiar with the issue. I think you are talking about recreation rentals, where families have owned cabins on—

Mr. MCCLINTOCK. Cabin rentals, and also, for that matter, grazing fees.

Ms. BENZAR. I am not familiar with either one of those programs, sir. The one I am familiar with is the recreation rental program that the Forest Service operates with old, historic cabins and Forest Service guard stations or lookouts that are available for rent to the public.

Mr. MCCLINTOCK. Are you seeing the public being priced out of the market by fee increases?

Ms. BENZAR. Yes.

Mr. MCCLINTOCK. So then they aren't adjusting to market rates, they are adjusting them well above market rates.

Ms. BENZAR. Those fees for things like a lookout are set based on doing a comparable with local, privately owned, like, cabin resorts or campgrounds that have cabins on them.

Mr. MCCLINTOCK. Meanwhile, the U.S. Forest Service is sitting on untold billions of dollars of timber value. And yet timber harvests in my neck of the woods, in the Sierra Nevadas, are down 86 percent from 1980. That tells me that the Forest Service is not interested in generating revenues, they are not interested in the health of the local economies, they are not interested in assuring the public's use of the public lands, that their attitude has turned highly exclusionary, and the fees are part of that strategy.

Mr. O'Toole, how should the fees be set at our national forests and our national parks?

Mr. O'TOOLE. I think fees should be set by the market. I think the managers should be allowed to charge what the market will bear for everything: timber, for mushrooms, for cabins, for whatever. I once owned a cabin on the national forest. Cabins in the neighborhood where I live sell for as much as my house. My house is a 2,000-square-foot house, but you can buy an 800-square-foot cabin for the same price as my 2,000-square-foot house. That says that somebody thinks that house is very valuable, and it is partly because the Forest Service lease on that house is under-priced.

Mr. MCCLINTOCK. Well, suppose rents on that house were such that nobody was re-renting them when they were put out for bid. What—

Mr. O'TOOLE. Well, then the Forest Service wouldn't collect any revenue, and they would say, "Huh, we had better reduce the rents until we do collect some revenue"—

Mr. MCCLINTOCK. But they are not doing that. And perhaps one reason they are not doing that is because their revenues are not tied to the use to which they are putting the public lands.

Mr. O'TOOLE. Well, you are exactly right. The Forest Service gets to keep zero percent of the revenues it collects from the leases on those cabins. So it has no incentive to charge a true, fair price. As I propose it, the Forest Service would be allowed to keep half the fees—and other agencies would be allowed to keep half the fees they collect from everything. And so the incentives would be balanced. You would have an incentive to sell timber, you would have an incentive to have recreation, and they would be balanced.

Mr. MCCLINTOCK. One real problem that we have with the forests in my area is they have been consigned to a policy of benign neglect for years. One reason for this, we are told, is lack of funds. And yet the timber harvest is down 86 percent on the public lands in that same period. Do you see anything wrong with that picture?

Mr. O'TOOLE. I do see something wrong with that. When I was an environmentalist in the 1980s, my goal was to reduce national forest timber harvest by 50 percent. We have overshot the mark, as my not-so-distinguished colleague, Andy Stahl, once said, "We are unsustainably cutting too little timber on the national forests."

Mr. MCCLINTOCK. And so, our forests are now severely overgrown, prone to frequent and ferocious forest fires, all for a purpose that I can only describe as benign neglect.

I have gone way over, Mr. Chairman. Thank you for your forbearance.

Mr. BISHOP. Thank you. Ms. Shea-Porter?

Ms. SHEA-PORTER. This is a really fun hearing. I have to say that it is interesting to hear some people call for selling the product, because it is on public land, where we are always willing to give oil leases subsidized on public land, but we want to charge people for something I believe they already paid for. So I may be wrong, but isn't Federal land paid for by the people of America, and the Federal taxpayer? So I just think it is astonishing to be listening to this, "Sell off the services at the price the market will bear." I think the whole point of these parks was to make it a place for all to enjoy.

So, I understand the challenges that the sequester has brought. I understand the challenges of use and being able to pay for people. I would not use my own beautiful State of New Hampshire as an example of using just user fees. I saw somebody write that. New Hampshire is always struggling to maintain, because it is just user fees. So we obviously have challenges here.

But we must all agree that this land cannot be sullied, that it has to be open to people of all economic levels to enjoy. And people who are fortunate enough to live nearby are very lucky to be able to take a walk in a beautiful forest or along a river. That is a gift, and you are very fortunate to have that. But some don't. And so, to say, "You have to come in and pay a market price to see or enjoy what I get, because I am lucky enough to live near it," there is something askew about that, also.

So, I just wanted to ask a couple of questions to find out. Since we started imposing these fees, who have we lost? Have there been any studies to determine that those who are doing financially well

have been able to continue using this, and have we lost a certain segment of the population? Have we lost families with small children who can't afford to now take this walk? Who have we lost? Have we lost older people, since we have rearranged our fee schedule, et cetera? Are we paying attention to that?

Ms. WELDON. Thank you very much. And one thing I would point out immediately is the fee program is really directed at certain sites. Of the 20,800 recreation sites that we have across the country, only 4,000 of those are being utilized within the fee revenue program right now. And what I would emphasize is that 95 percent of the areas across the national forests and grasslands don't require any fee to access. So, as far as the open and availability for citizens everywhere, there is no restriction. No one is prevented from coming and enjoying.

The other thing I would like to state is the process that we use for setting fees we do very carefully. And the responses we get from our formal surveys on the satisfaction with fees, where people are choosing to pay them, they feel satisfied that they are getting value for what they invest. So that is the way that we are getting an affirmation that we are not being exclusionary in the context of the fee program, in light of so many other areas, with very diverse recreation experiences that are available for all citizens.

Ms. SHEA-PORTER. But do you know if your usage has dropped off at all for some families? I have to assume that it has. I mean everybody likes a nice, upgraded area. But have we lost people who no longer can utilize that? Do you have any statistics to say where people fall on that economic spectrum?

Ms. WELDON. We don't have any figures that specifically define who is not coming, only assessing the individuals that do choose to come.

Ms. SHEA-PORTER. OK. See, that is my concern. I think we really should find out how we shut people out. Is there anybody there who would like to comment? Do you see any change? Thank you.

Mr. O'TOOLE. Well, it is interesting. We don't hesitate to charge fees—

Ms. SHEA-PORTER. Oh, I was—yes, thank you. I am sorry, I forgot your name, but—

Ms. BENZAR. Thank you, Congresswoman. I would like to give you one specific example. This is in my home State of Colorado, on the White River National Forest, a place called Green Mountain Reservoir. When they produced a fee document, a fee increase proposal, they identified the people who were coming to this particular lake as working-class families with pick-up campers and tents, not the big, fancy motor homes. That was who their constituency was that was coming there.

In this plan to raise the fee to use the area, there was a sense that I remember that said that many of those people would be displaced if this proposal goes forward, but they will be replaced with others who will comply. And I found that chilling.

Ms. SHEA-PORTER. I think it is important that we properly fund, as a group of Federal taxpayers, but we need to make sure that we don't close the doors to people who are not fortunate enough to be able to pay the fees and the increases there. It is a delicate balance, but I have concerns that we are leaving behind some of the

people who most need the recreation and the peace and the serenity of these lands. Thank you, I yield back.

Mr. BISHOP. Mr. DeFazio, do you have any questions for this panel?

Mr. DEFAZIO. Yes. Thank you, Mr. Chairman. Unfortunately, I was in another hearing, so I missed testimony. I have gone through it, and I do have some questions. And I direct my first one to Andy Stahl. And I would ask him, since they have had a longstanding relationship and understanding of each other, though some differences, I would like Mr. Stahl to comment on Mr. O'Toole's testimony about fair market value for all forms of recreation on public lands.

And just give me your perspective on that. Mr. O'Toole always brings interesting ideas.

Mr. STAHL. He does, he does. If we think of public lands much like public libraries, we don't even ask the question, "What is the fair market value of checking out a book for a kid to read?" When we charge people to read books, we call them book stores. Well, our public lands are not book stores. They are more like libraries. They are the place that we all share in common. We have decided, as a society, that we are better off when these resources are held in common and shared among all of us, as well as the costs.

So, that is my answer. This isn't about a market.

Mr. DEFAZIO. OK. Thank you. Ms. Weldon and Ms. Haze, this is particularly directed to the Forest Service, as I understand your apportionment of the fees, for instance, I live over the Willamette Valley. I live in Springfield. The Willamette headquarters are in Springfield. I often go to their headquarters to buy my recreation pass. We have a large population base in Eugene-Springfield, so I would assume a large number of other people who recreate on Forest Service lands go there, too. Yet I mostly recreate on the other side of the mountains. That would be the Deschutes and other forests.

If 80 percent of the funds are going to go to where the passes are purchased—and I assume that is even more so in Portland, for Mount Hood, or in Seattle, for whatever is the most contiguous forest there—couldn't we have a system where, when you buy a pass, if you buy it online or you buy it at the forest, perhaps you had sort of like a United Way kind of questionnaire, "Where would you like to see this money spent"? Because I don't necessarily want 80 percent spent on the Willamette. Yes, they have needs. But then again, I am recreating more in the Deschutes and other eastside forests.

Ms. WELDON. Thank you, Congressman DeFazio, it is nice to see you. And that is, I think, a concern that has been with the program for many years. How, if I buy my pass, especially with the Northwest Forest Pass and the Pacific Northwest, can I ensure that those investments and those improvements are occurring with the places where I actually recreate?

And I think that is an area that is something that we need to take a deeper look at, as we look at the issues and concerns for re-authorization, but also in the context of how much further do we want to have impact on the administrative costs that come with the program. So we just need to look at that balance—

Mr. DEFAZIO. Well, I think it can be done pretty simply with some—I mean, basically it is—

Ms. WELDON. Online check-off, mm-hmm.

Mr. DEFAZIO. Or United Way kind of—I want—

Ms. WELDON. Right.

Mr. DEFAZIO [continuing]. One hundred people said they want it to go to Deschutes out of X.

Ms. WELDON. And then—

Mr. DEFAZIO. But anyway, I would like you—really like you to look at that—

Ms. WELDON. OK.

Mr. DEFAZIO [continuing]. Because I think it does create inequities.

The second thing would be special recreation permits. And I find incredible inconsistency between the two agencies. Generally, the Forest Service I have found to be reasonable. And recently I found the BLM to be extraordinarily unreasonable, because they don't discriminate between for-profit activities, not-for-profit activities, they don't attribute the cost due to actually the impact on the resource or the amount of personnel, it is just some sort of random, arbitrary, huge cost.

The example would be Cycle Oregon. I happened to be on this ride with Cycle Oregon. They did 400 miles of paved roads for \$1,000, paying the State, the Forest Service, and the Park Service. They rode on 98 miles of 1950s-era chip-sealed logging road on BLM lands with no personnel present, law enforcement or otherwise, not even interpretive personnel at the nice points on the ride, where you had signs, and yet you wanted \$25,000. So I had to personally intervene with the Secretary, the Secretary assured me they would review the process on how they make these charges. Where are we at on that review?

Ms. HAZE. My understanding is that BLM has been working with Cycle Oregon. There is a memorandum of understanding with them—

Mr. DEFAZIO. No, no, I don't want to get into all that, because there is a very sordid history there, too.

Ms. HAZE. Yes.

Mr. DEFAZIO. I want to know what you are doing, generally, to become more like the Forest Service, and charge fees that are more assessed on the impact and/or the cost to the agency for using these public resources, rather than some arbitrary charge that is levied.

Ms. HAZE. So, BLM has evaluated their commercial use fee, and they—

Mr. DEFAZIO. This is not commercial, ma'am. It is non-profit, with all of the excess proceeds going to impoverished rural communities along the route.

Ms. HAZE. It is BLM's view that it falls into the category of fees they call commercial use fees.

Mr. DEFAZIO. So we have made no progress, then. I see my time is over. Thank you, Mr. Chairman. I will have to work further on this. Perhaps we will have to legislate.

Mr. BISHOP. Thank you. Allow me to ask a few questions, if I could. And there may be time for other questions, if other Members want them, as well. Let me start with Ms. Haze and Ms. Weldon.

Can you tell me what percentage of the annual budgets for your agencies that collect fee revenue comes from the fees, compared to your annual appropriation from Congress? Ms. Weldon, let's start with you, because you—

Ms. WELDON. Yes, thank you. For the Forest Service, generated from the fee program is approximately 20 percent of the recreation program budget.

Mr. BISHOP. OK. Ms. Haze?

Ms. HAZE. If you look at our four agencies together, about 8 percent is recreation fees.

Mr. BISHOP. Does that difference between the programs—Park, Fish and Wildlife, BLM—

Ms. HAZE. Yes, it does. BLM is 25 percent; Fish and Wildlife 1 percent; Park Service 8 percent.

Mr. BISHOP. Eight?

Ms. HAZE. Yes, yes.

Mr. BISHOP. Ms. Weldon, each of the agencies—or each agency establishes its own procedure for expenditures of fees. You started to answer this for Ms. Shea-Porter, but I would like to go into a little bit more detail there. In the Forest Service, who decides how the money is spent?

Ms. WELDON. At the local forest level, there are assessments that have been done with all of the recreation sites, and a determination made on what activities and what investments need to occur. So we basically follow the schedule there—

Mr. BISHOP. By whom?

Ms. WELDON. I would say by the local line officers and the local program managers.

Mr. BISHOP. What criteria are applied to determine the priorities?

Ms. WELDON. A main priority is level of use. But an overriding priority for all of them is health and safety. The first condition that we want to ensure we meet is that the public can recreate safely. So, if we have areas that have an overriding need, then they are what get prioritized for investments.

Mr. BISHOP. OK. Safety. Ms. Weldon, I understand the U.S. Forest Service manages a contract for the operation on its *recreation.gov*. What is the status of that contract?

Ms. WELDON. It is an operating contract of the fees that we collect. There is approximately \$12 million of our general annual—about \$65 million that is dedicated to running and operating *recreation.gov* for all the services that it provides, and for the revenue that it earns for reserving cabins, campgrounds, and other sources.

Mr. BISHOP. What is the total revenue you are getting from that?

Ms. WELDON. It is approximately \$12 million.

Mr. BISHOP. And what percentage of the fees go back to the contractor?

Ms. WELDON. For the contractor, itself, I am not sure of the exact fee. But in general, again, for all of our programs, no more than between 85 and 90 percent gets reinvested into the sites from which those are earned. So we don't go above about 15 percent for

costs, for administrative costs. I can give you more specific information for the *rec.gov* contract, specifically.

Mr. BISHOP. I would appreciate that, although we have a horrible track record of getting further information from either agency. So ballpark is 15 percent going back to the contractor.

Ms. WELDON. Between 5 and 15 percent, in general. But I would like to give you a very specific figure for that contract.

Mr. BISHOP. I will wait for that.

Ms. WELDON. Thank you.

Mr. BISHOP. For both of you, Ms. Haze, Ms. Weldon, statistics that have been published by your Departments indicate that visitation is declining in sites that charge fees, but not in sites that do not charge fees. Now, first of all, is that correct?

Ms. WELDON. I can't affirm that for you. I haven't seen that same data or information.

Mr. BISHOP. Ms. Haze?

Ms. HAZE. I would need to look at the data. But my impression was that visitation overall has been declining in recent years, due to gas, different reasons.

Mr. BISHOP. But you haven't seen the differentiation based on fees?

Ms. HAZE. No. I don't have that distinction.

Mr. BISHOP. Let's play a game here, and let's make the assumption that data is accurate. What would you say were the implications of that concept?

Ms. WELDON. What I would say is that while fees are still being paid, if visitation is reduced, then that would reduce the amount of reinvestment. It would still be associated directly with a site for the fees that are received. So there would be less that would go back, based on those sites.

Mr. BISHOP. Ms. Haze, let me ask you—well, I am about to run out of time. Ms. Shea-Porter, do you have other questions for this panel?

Then let me reserve the rest of my questions for everyone else, and I will come back to me. Ms. Porter?

Ms. SHEA-PORTER. Thank you, I appreciate that. I am still stuck on the thought that there are families and others who are lower income who are not able to pay to see these great wonders in our country. And so, I would like to see if it is possible for you in some way to collect some data, whether it is a voluntary—I mean the analogy that I am thinking about is when I pay a lot for a hotel room, I am generally really, really happy and pleased with the services. If I go into one that is really, really low-budget, I can see a few problems.

So, to say those who are coming to your sites are really pleased makes sense to me, in the sense of what you are able to offer. But I am still concerned that we are leaving out an essential part of our population that needs and deserves to see that. They are taxpayers, also.

So, I don't know exactly how to do that, but I will probably be writing a letter shortly, asking to find a way to collect some data to either confirm or to eliminate what I suspect might be so.

I also would like to talk about our beautiful State of New Hampshire, and invite everybody to come see those gorgeous mountains.

But we did have a problem—and I am sure you recall—when they started to put a fee in, and people, locals, were just parking by the side of the road and taking a quick hike, whatever. So I think they had some kind of resolution.

But my question is, what are you doing in other areas like that, where locals just jump out, they have lunch, they want to just hike for a half-an-hour or go out and look at the pond out there. Is this something that is really a pervasive problem now for locals? Because they too should be able to enjoy their own area. And because it happens to fall under Federal, should not shut them out. So is this a large problem, or just a problem that we are hearing from a few panelists?

Ms. WELDON. Well, thank you. What I hear you saying is an issue that has come up in other places. The act itself prohibits any agency from charging for people who are pulling off on the side of the road and just enjoying themselves. There has to be the standard in that, as far as what types of amenities and benefits would be there that would cause this fee.

One thing I would say that is very important with the program is the public involvement and public input that must be in place for us as we are making considerations on where to charge fees. So, using that process, we can get that sense of whether the public sees it as appropriate to create new sites where fees would be charged. And we have to do that in the context of understanding how they use those areas. So that is something that we are making sure we are having a consistent process, nationwide. And there are times where we have proposals, and based on that feedback we say this isn't the time, or this isn't the place to try to establish a permanent fee site.

Ms. SHEA-PORTER. And I would like to state again that I understand, and I thank you for the work that you do, and I understand the budgetary constraints that you operate under, and the necessity to go looking for funding to do this, and I think it is a Federal role, and that we should be working to do that, while we keep it open to others. So I do recognize you have challenges. Thank you, I yield back.

Mr. BISHOP. So that means the old man on the mountain fell off because they were charging fees, right?

Ms. SHEA-PORTER. I don't know.

Mr. BISHOP. OK.

Ms. SHEA-PORTER. Nobody will ever know; he didn't say.

Mr. BISHOP. Ms. Haze, let me ask you one other thing. Ms. Weldon talked about—something about prioritization. If you were to prioritize the reasons for collecting fees, what would they be?

Ms. HAZE. So, when I was talking with our bureau representatives yesterday, actually, about that, the thing they brought up most was providing facilities and programs that the visitors are asking for and demanding, where, in a lot of cases, we would not otherwise be able to provide them. So, restrooms at trailheads, visitor programs, and guided tours.

Mr. BISHOP. So visitor facilities. Ms. Weldon recognized health and safety, or safety as the number one criteria of prioritization. How would that rank with the Interior Department?

Ms. HAZE. Also important. The Bureau of Land Management was explaining to me there is one particular place, Paria Canyon, where they specifically use the program to allocate reservations for access to make sure that the visitors get a safe—

Mr. BISHOP. So which should be the higher priority, the safety or the facilities?

Ms. HAZE. I would say in all of our programs across the Department, when we look at operating programs and facilities, safety always rises to the top, safety of our employees, and safety of visitors.

Mr. BISHOP. Thank you. I appreciate your comments there. I was somewhat taken aback by your comment on sequestration, since every agency has the ability of handling how they handle the sequestration, it does not have to be across the board. I noticed in the report that was mentioned earlier how Bryce Canyon had lost a certain amount of money, which I thought was bizarre, because the Department has spent a like number of money to buy lands outside of Bryce Canyon from private developers so that no development could take place. Obviously, prioritization should be used, and I would appreciate—I would hope, in fact—that the Department of the Interior, in the future, instead of just doing things across the board, would actually have prioritized something and found some kind of need there.

Mr. Ledford, if I could ask you just a couple of questions, the two States you mentioned that are using fees only or fees specifically, what States are those?

Mr. LEDFORD. I believe those are New Hampshire and South Carolina are endeavoring in that regard.

Mr. BISHOP. And has their experience been different than the rest of the States?

Mr. LEDFORD. I don't think they have been in that position long enough to have a clear distinction of how successful they have been.

Mr. BISHOP. States do have the potential of being able to experiment in ways that the Federal Government simply cannot. How do State parks prioritize their expenditures so to minimize the maintenance backlog?

Mr. LEDFORD. I think, overall, we are $\frac{1}{10}$ of 1 percent of the State's budget, typically. So we are a very small consideration. So we look at everything from safety to conservation of these unique, natural resources, or to population demands, and user group interest.

Mr. BISHOP. That is the way you prioritize what you are doing?

Mr. LEDFORD. Yes. I think it ties back primarily—of course it varies from 50 different States. And in North Carolina, we have a very strong—it goes all the way back to our State constitution, and the parks are a right of the people, so we do not try to charge fees except where there are consumptive services, if we are renting facilities or so forth. We try to give them an access to the park without a fee consideration. But other States do that differently, and there is quite a broad array of that across the country.

Mr. BISHOP. Would you like to have Cape Hatteras back, so you can administer that better than what we are doing right now?

[Laughter.]

Mr. LEDFORD. Well, we are continuing to expect the Department of the Interior—

Mr. BISHOP. You don't have to answer that one.

[Laughter.]

Mr. BISHOP. I have an answer for it. I would like the four here, if I could ask one specific question of all of you before I come back to individual questions, starting with Mr. Ledford and going to my right, do you have a specific recommendation you think we should consider if we reauthorize this program now?

Mr. LEDFORD. I think the recommendation is that we keep fees at a modest level, where we try to serve all of the citizens. And the consistency that, if we have any issue at the State level, we do evaluate what our sister agencies, either the Federal or the local governments, are administering. So we do evaluate that as we establish our fees. So I think we try to keep them consistent.

Mr. BISHOP. Mr. O'Toole?

Mr. O'TOOLE. Well, we don't hesitate to charge for timber, for grazing, for oil and gas, for minerals, for developed recreation on public lands. I don't really see what makes dispersed recreation so special that dispersed recreationists, of whom I am one, get to use the lands for free.

If we are concerned about low-income people, we should do the same thing we do with food or for housing, which is to provide low-income people with recreation stamps. But there is no reason why high-income people should get to have free recreation, we don't want to deny opportunities to low-income people.

Mr. BISHOP. Let me interrupt this before Mr. Stahl, you do that. I just have a few more questions for these people, and then I am done.

Do you have other questions you want? If not—

Ms. SHEA-PORTER. I do, thank you. I just wanted to—

Mr. BISHOP. Wait. Let me finish you off. If you can do that very quickly, a specific recommendation, and then we will turn to Ms. Shea-Porter, and I have a few other questions. Mr. Stahl?

Mr. STAHL. Two recommendations. Delete 16 U.S.C. 6802(f), which is the paragraph authorizing the standard amenity fees—

Mr. BISHOP. OK.

Mr. STAHL [continuing]. On national forest, BLM, and Bureau of Reclamation lands, and then eliminate the advisory councils, which have been used just as a rubber stamp to give the agencies whatever they want.

Mr. BISHOP. Ms. Benzar?

Ms. BENZAR. Yes, and in my testimony I have three specific recommendations: that Congress should recognize that Americans should have access to healthy, active, outdoor recreation, it is important that be available; that the program should take into consideration that Federal lands are public lands, and other funds are made available for them by Congress; and that these fees should be only supplemental to those funds, and only imposed where there is a demonstrated need to provide supplemental benefits, and then spent to benefit those who paid them.

Mr. BISHOP. Thank you. I will withdraw here now. Ms. Shea-Porter, if you would like to spend more time.

Ms. SHEA-PORTER. Thank you. I just wanted to comment on the State of New Hampshire, and the way they fund their parks. It has been in existence for a while, and the news is not really very good. Luckily, we have an incredibly hard-working group who do their very best at the State parks, but the money is a problem.

This is from AP, an article that was updated in 2011. And it says, "Unlike in other States, New Hampshire's park system hasn't had a State funding cut, because it doesn't get any. It relies solely on user fees. But even before the economy worsened, revenues typically fell well short of operating expenses." And the system at that time was facing a \$1.8 million deficit.

So, the point is that the funds have to come from somewhere. And when you just rely on operating fees, our experience—and trust me, we are very, very frugal in New Hampshire, and there is a great work ethic, and there are volunteers and many others who do that, but at some point you really need to have some extra funding to do what everybody on this panel wants to do, just to preserve these beautiful places for the next generation.

So, I just wanted to put that into the record, and I will yield back.

Mr. BISHOP. Thank you. Let me follow up with some further questions as I am going down the row here, too.

Mr. O'Toole, do your recommendations, especially with dispersed fees, apply equally to multiple-use lands and national parks?

Mr. O'TOOLE. Absolutely. I don't see why national park recreation should be limited—or fees should be limited to just entry fees. You should be able to pay a fee to hike, you should be able to pay a fee to horseback ride, to do all kinds of activities in national parks and other units of the park system.

I think that the Forest Service should charge fair market value for everything it provides, not just recreation, and that it should be allowed to keep half of what it gets for that—for those resources. And the same would be true for BLM, Fish and Wildlife, other Interior agencies, and that, by using those fees, it would help the agency managers decide how to manage lands, whether to manage lands primarily, say, for motorized recreation or non-motorized recreation, or oil and gas versus wildlife.

Mr. BISHOP. Speaking of that—and I am glad that is a segue—let me ask the last three of you that same question. Recreationists use ATVs, special kinds of motorbikes, hunters, fishers, they certainly pay taxes that are specific, and portions of their taxes specifically go to recreation purposes. Do you see them, in paying an entrance fee, as well, as a form of double-taxation, to which we should be worried about? I will start with Mr. O'Toole and go down.

Mr. O'TOOLE. In general, no. When, for example, hunters pay for bullets and ammunition and things, that money goes to a fund to enhance wildlife habitat. But that doesn't compensate the Forest Service for providing land for that wildlife. And so there needs to be a separate fee for that.

Mr. BISHOP. OK. Mr. Stahl?

Mr. STAHL. We don't support fees for dispersed use of public lands, such as hiking on them or riding your ATV.

Mr. BISHOP. But I am talking about the concept of double-taxation. As he mentioned, buy bullets, a portion of that has to go here. Is that viewed as a form of double-taxation?

Mr. STAHL. It certainly could by some. I think fees and taxes are somewhat different.

Mr. BISHOP. Yes. Ms. Benzar, I will ask the same question. Wildlife refuges, for example, duck stamps, there is a concept coming in here.

Ms. BENZAR. Yes. Well, all Americans pay something toward the maintenance and the management of our Federal public lands. And then some people use something like a campground, where they pay an additional fee because they get use of a specific facility. But I think that all of us should have the right to find certain basic services available to us, just in return for the taxes that we pay. And then, any supplemental benefits over and above that for special populations or special types of recreation that require their own kind of specialized or developed facilities, I don't consider those double taxes. But I do consider it double taxation when I pay my taxes to go to the National Forest Service budget, and then I am taxed again to use the toilet when I get there.

Mr. BISHOP. There are other options.

[Laughter.]

Mr. BISHOP. Mr. Ledford, North Carolina has a special fee that comes from their real estate transfer tax that goes there. Do you view that as another form, if there is a fee as well, as a form of double taxation?

Mr. LEDFORD. We don't, in particular, because we try to make all our parks accessible. We have three or four areas where we have some special developments that we have fees. But we are also using fees in a couple of places to try to regulate use. Because if we had it where there wasn't any kind of control, it would overflow.

Mr. BISHOP. So you are talking about what Mr. O'Toole is talking about in that kind of use.

Ms. Benzar, before I go back to Mr. O'Toole, what would you do to replace the resource advisory committees?

Ms. BENZAR. Well, I certainly agree with Mr. Stahl, that they need to go away. They have been a waste of time and money. To replace them, I think, first of all, we need a law that is so specific and so clear that the agencies don't need any advisory committee to tell them what it says. That advisory committee would then be the courts, if there is some violation going on. So a clear, concise, unambiguous law would be the first thing I would replace them with.

Mr. BISHOP. Is there anyone on the panel who does not believe that if we reauthorize FLREA, that there should not be required audits and detailed disclosures, site-specific revenue and expenditures from these fees?

Ms. BENZAR. Me first? I think such an audit is years overdue.

Mr. BISHOP. All right. Is there anyone who doesn't think that should be a criteria?

Mr. O'TOOLE. Well, actually, if you get the incentives right, you don't need to audit. If you get the incentive wrong, then you might. But if you get the incentives right, then the audits are not as important.

Mr. BISHOP. Then let me come back to you for the last question. Is there anyone else that wants to say anything about auditing? [No response.]

Mr. BISHOP. OK. Then I will come back to you, because that comes back to the root question. I would like to give you a chance to go a little bit deeper into what you were saying. It is kind of based on what Mr. DeFazio was talking to you about. It reminded me of public television, I am told that it is mine, and I am a part of it, and I pay for it. And, to be frank, there are a few stations that I like, and a lot of public TV programming that is just damn boring, and I don't want to watch it, and don't want to fund it.

So, let me ask you about your fee concept coming in here again. Is it possible or even probable that sometimes—that if we were to establish a fee that was truly market-based, that we don't necessarily have an appropriate market-based system to go out there, that some of the fees would be established, as he says, to try and move people off of areas that are highly congested? That what would happen is that the fees would be used, instead of simply what the market would bear, to face some other priority that a bureaucratic would say it becomes important to them as a concept, do you know where I am trying to go with that?

Mr. O'TOOLE. Well, I can see some of that. I certainly agree that if areas are congested, that fees are one way of reducing that congestion and encouraging people to go to other areas that have lower fees and less congestion. That would be good for the resource, because it would mean there would be less impact to the land.

I also see that fees are a good way of encouraging other land owners to start providing recreation. I live 500 feet from a National Forest boundary, but there is also lots of private land around. And if the national forests are charging zero for dispersed recreation, other private land owners can't make any money from dispersed recreation, so they are going to want to develop it. If we want more dispersed recreation opportunities, having the Forest Service and other public land agencies charge for dispersed recreation will encourage those private land owners to charge, as well, and then we will see more recreation opportunities, a lot of which will be very affordable to everyone, no matter what their income will be.

Mr. BISHOP. I appreciate the comments you are giving here, and about the idea that actually the private sector can do what government is attempting to do. That is really radical, isn't it? Everyone knows that government has to be the all-wise and all-serving provider. That was sarcastic, too, I didn't mean that.

[Laughter.]

Mr. BISHOP. I thank the witnesses for the testimony. I appreciate all of you for coming here. Your written testimony has been submitted for the record. If you want to expand upon that, I appreciate that. Our colleagues who are here or were not here may have additional questions that they would like asked. We will submit those to you. We would ask that you would respond to them in a forthright manner. We will have the public record, it will be open for around 10 days.

And especially as we go forward with this, since this bill or this concept must be reauthorized in some form or another, and something has to happen to it, even if we let it lapse, something has

to happen—we would appreciate your ideas and your input as well, as we move forward with this. Like I say, I appreciate the testimony that you have given here today. I appreciate the time and the effort to be before us and to make your statements as part of the record.

And if there is nothing else, the Subcommittee will stand in adjournment. Thank you so much.

[Whereupon, at 11:40 a.m., the Subcommittee was adjourned.]

[Additional Material Submitted for the Record]

PREPARED STATEMENT OF DAVID L. BROWN, EXECUTIVE DIRECTOR, AMERICA OUTDOORS ASSOCIATION

Mr. Chairman and members of the Subcommittee thank you for taking the time consider the concerns and issues that are necessary to improve the Federal Lands Recreation Enhancement Act (FLREA). Since FLREA is the authority under which outfitter and guide permits are currently issued and those permit fees retained, America Outdoors Association members are very interested in the reauthorization of this authority with necessary with adjustments. In addition to permit fees authorized under FLREA, many outfitters are also paying amenity fees. This statement will cover issues and needed adjustments for both types of fees.

America Outdoors Association is a national, non-profit trade association representing the interests of outfitters and guiding companies, most of which operate on federally-managed lands and waters under permits authorized by the Federal Lands Recreation Enhancement Act.

1. FLREA is the authority for issuing outfitter and guide permits in National Forests, BLM and Fish and Wildlife Refuges. As you know, FLREA expires in December 2014. If it expires or is repealed, fees will remain, but fees will go to the Treasury and likely result in the elimination of outfitted services and recreation access. Agency personnel have suggested recreation capacity will be diminished without permit and amenity fee retention, which they now retain without further appropriation.

2. A provision should be added to the authority for recreation special use permit fees for outfitters and group activities to restrict those fees to activities which occur or occupy federally-managed public lands. For example, the current Forest Service policy allows the agency to base fees on the entire cost of the trip even when a small portion of the trip may access or occupy National Forests. The agency applies an off Forest discount, which is not always consistent with the time spent outside the Forest and may lead to a form of taxation for services delivered outside Federal lands. For example, a youth camp may conduct most of its activities on their own property with food, lodging and other activities taking place outside the Forest during a 2-week stay. If the groups spends 1 day out of a 2-week stay hiking on a National Forest, some Forests base the permit fee on the price for the entire 2-week stay instead of on the 1-day of hiking. Then the agency applies an off-Forest discount that is not proportional to the time and the services spent outside the Forests. This aspect of the Forest Service fee policy was challenged successfully in Federal Court in *Tongass Conservancy v Glickman* (October 6, 1998) and the Alaska region was forced to revise their fee policy as a result. However, this aspect of the agency fee policy still crops up outside that Region.

3. The provisions that are in the original bill to prohibit additional charges to permit holders for road use in SEC. 803(d)(2) and monitoring endangered species in SEC. 808(b) should be retained. Permit holders should not be charged road use fees unless other users are also charged. Many permit holders at their own expense are already maintaining roads in some areas because the agency can't or won't do the maintenance.

4. Require an annual report to be published on the actual use of amenity fees at each fee site. Agencies should be more transparent about the use of recreation appropriation dollars and fee revenues. Each collection site should provide to the public an annual accounting of fees collected and how amenity fees were spent within 90 days of the calendar year. Failure to provide the report should result in loss of fee authority for that resource. Routine audits of a certain number of fee sites with reports going to the Committee should be conducted.

5. One alternative to the agencies' collection of amenity fees is to authorize the fees to be managed by charitable organizations with input from users

who actually pay the fees. SEC. 806 appears to enable the agencies to enter into collection agreements but it is unclear if these entities have authority to execute recreation enhancement projects, subject to agency approval. The agency or others could submit projects for approval. Amenity fees would be paid to the charitable organization, which could also take contributions from other sources, provided the money was used solely to benefit the resource. This option could be authorized in the legislation and initiated in lieu of agency collected amenity fees if it provides more direct benefit to the resource (less used for overhead).

6. Eliminate broad exemptions from fees for certain recreation activities which only create opportunities for legal challenges, provided that overlapping and duplicative fees are not permitted. SEC. 803(d)(1)(D) for example prohibits fees “For persons who are driving through, walking through, boating through, horseback riding through, or hiking through Federal recreational lands and waters without using the facilities and services.”

7. Use of permit fees for permit administration should be considered with constraints to preclude this authority from becoming a backdoor strategy to encourage higher fees and more complex permitting processes.

8. Streamline permit documentation. Language should be included in FLREA reauthorization to encourage efficiency in permit administration and NEPA documentation (which could be included in FLREA).

- a. Authorizing categorical exclusions where “extraordinary circumstances” are present, provided there is no significant change in the permitted activity, would help remove some of the uncertainty about the use of categorical exclusions when “extraordinary circumstances” are present. FSH 1909.15 enables the use of categorical exclusions for permits but suggests limiting their use when extraordinary circumstances are present which include: “Congressionally designated areas, such as wilderness, wilderness study areas, or national recreation areas; (4) Inventoried roadless areas or potential wilderness areas.”
- b. Elimination of a “needs assessment” prior to authorizing permits for new activities outside of designated wilderness would eliminate another bureaucratic hurdle and may enable more permits for new uses.
- c. Authorize the use of programmatic environmental analyses or environmental assessments in lieu of site specific NEPA documentation for every permit that is issued.

9. Consider limits on the agencies’ authority to provide services directly to public for a fee when those services can be offered through the private sector.

Expanded amenity fees for agency activities are authorized in the current language in SEC. 803(g)

- a. (C) Rental of cabins, boats, stock animals, lookouts, historic structures, group day-use or overnight sites, audio tour devices, portable sanitation devices, binoculars or other equipment.
- b. (D) Use of hookups for electricity, cable, or sewer.
- c. (E) Use of sanitary dump stations.
- d. (F) Participation in an enhanced interpretive program or special tour.
- e. (G) Use of reservation services.
- f. (H) Use of transportation services.
- g. Include language that states only when the agency documents that the agency provided services are necessary and cannot be provided by private sector service providers shall the Secretary be authorized to provide specialized tours, rent equipment and stock, operate campgrounds or provide other services for a fee. The Federal Interagency Council on Outdoor Recreation (FICOR) recently voted to expand the agencies’ *recreation.gov* Web site, which is increasingly the portal through which fees are being collected. *Rec.gov* is not subject to appropriations since FLREA authorizes the use of fees for reservations services.

10. We concur with others that fee RAC’s have not been effective. Payers of the fees should have the opportunity to provide recommendation on how the money is spent nonetheless. We believe public meetings and annual accountability should be mandated in lieu of a formal fee RAC.

11. Once projects are completed at fee sites or there are no services provided, amenity fees should be removed unless the payers agree to them. Some attention needs to be given to situation where more fee revenue is collected at popular sites than can be cost effectively or appropriately used.

12. Non-profits should not be exempted from fees or permitting requirements solely by virtue of their tax status. Some of the Nation’s largest outfitters and special events are non-profits which charge middle and upper middle class

Americans and youth substantial sums to participate in events, fund-raisers or trips. These trips are commercial in nature. While these organizations may also provide charitable activities, they should not receive blanket exemptions from permitting or fees for all their activities. Issuing a different type of permit to non-profit entities based solely on their tax status may jeopardize the existing permits held by many non-profits. Many tax-paying outfitters are essentially non-profit entities with lower salaries and benefits than some of their non-profit counter parts providing the same or similar services. If fees are reduced for charitable-type activities, whether or not they qualify for a tax exemption, then they should be reduced for taxpaying and non-profit outfitters.

13. Fee set aside for river and trail maintenance authority. From the special account referenced SEC. 807 in the current law, which was an option that was never exercised, consider authorizing fee credits or challenge cost share agreements for work outfitters and others perform, such as clearing debris from rivers and trails. Outfitters could receive credits on their permits fees for labor costs for trail clearing that the agencies are unable to accomplish in a timely fashion. The Forest, which provides the credit on permit fees, would be reimbursed for the amount of credit on permit fees from the special recreation fee account set aside for agency-wide uses. The Forest would have to approve the clearing projects for which a credit is provided. The Forest Service may establish a challenge-cost share arrangement, where the agency issues the credit to enable the outfitter to pay the labor costs while the outfitter contributes use of the stock and equipment. However, preparation of challenge cost share agreements can be time consuming unless the process is streamlined.

This account in SEC. 807, authorized in the original legislation, has never been established. Instead the Forest Service sends 5 percent of the fee money to the Regional offices, so we understand. 10 percent of collections held in a special account should be set aside for river and trail maintenance projects. See proposed language: SEC. 807. SPECIAL ACCOUNT AND DISTRIBUTION OF FEES AND REVENUES. (2) AGENCY-WIDE DISTRIBUTION OF FUNDS—The balance of the recreation fees and site-specific agency pass revenues collected at a specific unit or area not distributed in accordance with paragraph (1) shall remain available to that Federal land management agency for expenditure on an agency-wide basis, without further appropriation, until expended. Up to 10 percent but no less than 5 percent of recreation fees shall be held in a special account to reimburse Forests for fee credits issued to permit holders for approved trail and river access maintenance projects where employees of permit holders are paid exclusively for trail maintenance work.

PREPARED STATEMENT OF DERRICK CRANDALL, PRESIDENT, AMERICAN RECREATION COALITION

FEDERAL RECREATION FEES

The American Recreation Coalition is delighted to submit a statement detailing its views on the Federal Lands Recreation Enhancement Act of 2004 (FLREA) and ongoing efforts to implement this important law. The American Recreation Coalition (ARC) is a federation of more than 100 national organizations actively involved in meeting the recreation needs of Americans, an activity generating some \$650 billion annually in sales of goods and services. ARC's members produce recreational products ranging from canoes to motorhomes to tents, provide services ranging from campsites to downhill skiing and represent the interests of tens of millions of us belonging to individual membership groups including The Good Sam Club and BoatU.S. ARC members have a very strong interest in fees at Federal recreation sites and played a key role in the creation of the National Recreation Fee Demonstration Program, legislation which helped shape the current law.

Quality recreation opportunities on Federal lands are one of our central concerns and we perceive fees as one of many tools which can assure members of the public that their visits to their lands will be enjoyable and safe. Fees, though, are not and never have been an end for us. Rather, fees are a means to achieve our goal of great experiences in the Great Outdoors.

The recreation community enjoys free lunches as much as anyone, but we have come to understand that it is hard to demand a great tasting meal when you aren't paying. And we certainly understand that quality recreation on Federal lands really isn't a free lunch: costs must be borne by Americans in some form, whether through general taxes, user fees or other investments.

As the Nation considers its priorities for Federal spending, the importance of FLREA has grown. We have not yet developed complete recommendations regarding

needed changes to this act, but we can tell you that we support its extension in some form, and further support both direction from Congress on where fees should be charged, retention of most fees at the sites where collected, and use of collected fees for programs and projects directly related to visitor services used by those paying fees.

Nearly one-third of our Nation is public lands and waters, managed by a variety of Federal agencies and featuring national parks and national forests, national wildlife refuges and a variety of other special places. These areas attract well in excess of a billion recreation visits annually for activities ranging from hiking and rock-climbing, mountain biking and fishing, skiing and snowmobiling, to wildlife and bird watching, ATViring and swimming, boating and many more activities. These lands and waters also attract a large and growing number of international visitors—some 20 percent of our guests from other nations visit national parks alone and many others enjoy world-class ski areas on national forests, explore more than 550 wildlife refuges, climb our mountains and enjoy whitewater activities on public lands.

Management of our Federal lands is funded primarily by appropriations of general funds, but a significant and growing portion of this management depends upon fees—some \$400 million annually in entrance fees, fees at campgrounds and fees paid by businesses providing visitor services on Federal lands. Most of this revenue is authorized by FLREA. This authority must not expire in December 2014. There is strong agreement among most recreation and tourism advocates and Federal agencies now collecting fees that key provisions of this law should continue, although there is also support for revising Federal fee programs to make fee collection more efficient, fees more understandable, perceived as fairer to the public, and structured so that higher fees are not offset by reductions in general funding of Federal agencies.

The Obama Administration has proposed to extend FLREA for 1 year, and then to replace the law with permanent fee authority. After discussions and deliberations involving diverse recreation, conservation and tourism interests, ARC tentatively recommends the following:

(1) A 3-year extension of FLREA (through December 2017) would be useful.

(2) Inclusion of the U.S. Army Corps of Engineers under FLREA beginning October 2013, with the authority to retain all recreation fees above the agency's FY 2013 collections, is a very high priority.

(3) Encouragement for testing new fee strategies, fee revenue uses and fee program administration in pilot efforts during the period of the extension can help lead to important improvements in successor legislation to FLREA. Agencies should report to the Congress by September 20, 2016, on suggestions for modifications to FLREA, if any.

We are attaching to this statement a recent communication to the Director of the National Park Service regarding modifications to the fee program of that agency—noting changes that we believe are permitted under current provisions of FLREA and which could achieve a number of goals, including added convenience to park visitors, enhanced efficiency and compliance, better use of agency manpower and other resources and better, more targeted services to key markets, including international visitors, which could include appropriate additional or higher fees.

We are now at work on similar recommendations to other agencies, notably the Forest Service, and plan to submit final recommendations to the Congress with 60 days. We anticipate addressing alternatives to RECRACs and clearer definition of services and infrastructures where recreation fees are appropriate. We thank you for your attention to FLREA and for the opportunity to participate in the process which will define future direction of national recreation fee policy and processes.

ATTACHMENT

NATIONAL PARK HOSPITALITY ASSOCIATION • NATIONAL PARKS CONSERVATION ASSOCIATION • AMERICAN HIKING SOCIETY • AMERICAN RECREATION COALITION • NATIONAL MARINE MANUFACTURERS ASSOCIATION • NATIONAL TOUR ASSOCIATION • RECREATION VEHICLE DEALERS ASSOCIATION • RECREATION VEHICLE INDUSTRY ASSOCIATION • SOUTHEAST TOURISM SOCIETY • WESTERN STATES TOURISM POLICY COUNCIL

MAY 16, 2013

The Honorable JON JARVIS, *Director*,
National Park Service,
1849 C Street, NW,
Washington, DC 20240.

DEAR DIRECTOR JARVIS:

We applaud the efforts of the National Park Service to prepare for another century of service to the Nation, protecting some of the Nation's most valuable natural, cultural and historic assets and providing the Nation with educational, physical and economic benefits. Individually and collectively, we pledge our support to your efforts. We believe that **A Call to Action** is a valuable strategy for identifying and focusing on key actions which the NPS and its allies can and should undertake to be prepared for these roles.

We also believe that periodic updates to **A Call to Action** are necessary and appropriate, reflecting accomplishments in the journey to 2016 and new understanding of the steps necessary for success. One of the areas where an update would be appropriate involves financial resources available to the agency, identifying actions which would provide supplementary funding for park units and programs. We offer the attached document, **GREAT PARK EXPERIENCES AND SUSTAINABLE FUNDING**, for your consideration, urging its inclusion in the 2013 revised **A Call to Action**.

You will recognize that much of the content for this suggestion is derived from papers prepared for the Bipartisan Policy Center Bridgebuilder Session on March 19, 2013. Specifically, the steps outlined here can be achieved under existing authorities, including the Federal Land Recreation Enhancement Act of 2004. Under these authorities, fees are supplementary to appropriations and are available for a range of NPS efforts and actions.

We request inclusion of this action suggestion and offer to provide supplementary ideas and information to assist you. Please contact Ron Tipton (rtipton@n pca.org) or Derrick Crandall (dcrandall@funoutdoors.com) for further information.

ATTACHMENT

TEAMMATES FOR PARKS IN THE 21ST CENTURY

GREAT PARK EXPERIENCES & SUSTAINABLE FUNDING

The National Park Service has a unique opportunity to make some important changes in its park visitor fee structure that would result in significantly increased revenue for the national park system in its next 100 years while enhancing the park visitor experience. Currently, NPS collects entrance fees, recreation use fees, transportation fees and other special fees under a variety of legal authorities, including the Federal Lands Recreation Enhancement Act of 2004. The changes below could be done under existing authorities.

NPS should adopt a Centennial park fee program with two goals: (1) increased revenue for park operations that will enhance the National Park Service's capacity to serve the visitor; and (2) a program that allows visitors to continue to enjoy the parks at a reasonable cost.

Some important ideas to consider include:

- A “dynamic” fee structure that (1) provides for higher fees during heavy visitation periods and reduced entrance, campground, backcountry and other user fees when parks are less visited; and (2) creates seasonal and shorter-duration passes for targeted groups, such as an international visitor pass that could include maps, services available on mobile devices and other park information and would have special souvenir value.

- Implementing individual park entrance fees at the level the National Park Service has already established for different park classifications, and modifying those fees at appropriate intervals
 - Considering expanding the number of reduced fee days and free days to encourage park use by people qualifying for Federal assistance programs
 - Assessing alternatives to the current “carload” pricing, including charging per person fees for each adult after the first two adults in a vehicle, and consideration of charging per day fees.
 - Reducing the volunteer hours required to receive a single park entrance pass, and accelerate earning of passes through volunteer efforts at parks unable to collect fees
 - Reviewing park units not now collecting fees to determine whether there should be additional units with entrance and related fees for all or portions of the year, using technology to reduce collection costs and add convenience for visitors
 - Increasing vital services to visitors served by tour operators to be offset by appropriate fees with adequate planning notice before implementation
-

PREPARED STATEMENT OF MARILY REESE, EXECUTIVE DIRECTOR, NATIONAL FOREST RECREATION ASSOCIATION

Chairman Bishop and members of the Subcommittee, I thank you for the opportunity to provide a statement regarding the Federal Lands Recreation Enhancement Act (FLREA). I am Marily Reese, Executive Director of the National Forest Recreation Association. I am also a member of the Kern and Tulare Counties Resource Advisory Committee for the U.S. Forest Service in California.

On behalf of the Board of Directors of the National Forest Recreation Association, I want to express our appreciation for the opportunity to provide information pertaining to your review of the Federal Lands Recreation Enhancement Act (FLREA).

THE NATIONAL FOREST RECREATION ASSOCIATION AND FLREA

The National Forest Recreation Association (NFRA) was formed in 1948, and represents recreation businesses located on or near Federal lands throughout the United States. Most of our members hold authorizations, permits or contracts for providing services and facilities directly on Federal lands. A partial list of authorizing agencies includes the: Forest Service, National Park Service, Army Corps of Engineers, Bureau of Land Management, and Bureau of Reclamation. They also operate facilities under contracts with State and local agencies, public utility companies, and conservation districts. NFRA members are vital “recreation service partners” of the Federal land management agencies in providing recreational opportunities to the public. NFRA members have a wealth of experience providing front line service to the public, along with maintaining safe and desirable facilities. Members have served generations of national and international users, and continue to provide lifelong memories to visitors each year. NFRA members work directly with the governing agencies and strive to maintain a cooperative and communicative relationship. We are the “go-to” Association for issues pertaining to campground concessions, and we have the longest history with the concession program of any other group or organization.

Examples of facilities and services offered by NFRA members on public lands include:

- Campground concessionaires operating Federal campgrounds, picnic areas, boat launches, swimming areas, and cabins under jurisdiction of the USDA Forest Service, National Park Service, and the Army Corps of Engineers.
- Resorts, Pack Stations and Marinas offering a wide range of facilities and services to the general public. Examples include: lodging, guided horseback trips, historical and interpretive programs, boat rentals, boat slip rentals, tour boat rides, stores, cafes, shuttle services, guided snowmobile trips, winter snow play areas, and many others.
- Organized youth and family camps.

NFRA members are integrally involved in the local communities in which they operate, and contribute significantly to natural resource education and conservation programs.

RECREATION BUDGETS

Federal agencies need to retain authority to efficiently set, collect and locally retain recreation fees. Given current and projected budgets, the recreation programs

of most agencies will continue to be constrained without user fees. These fees ensure that recreation areas are well-maintained, are clean and safe, and remain in full compliance with ever-changing environmental rules.

CAMPGROUND CONCESSION PROGRAM

The campground concession program was initiated by the Forest Service in the early 1980s in response to declining budgets for recreation programs. Under this program, private companies competitively bid for the right to operate Government-owned improvements including campgrounds, swimming beaches, picnic areas, boat launch ramps, etc. Concessionaires are responsible for all operating costs of running these sites. In exchange, they pay a percentage of their gross income to the Government as a concession fee. NFRA members have a long history of providing facilities and services where there is a well-defined value for the price, with both visible and tangible assets. The public is accustomed to, and willing to pay because they appreciate the improvements and they directly benefit from both the physical facilities and the personnel providing the services. The program is highly successful and the concessionaires are to be credited for attracting more visitors and increasing the utilization of the sites.

Nearly all of the fees paid by the concessionaires for their use of the facilities go directly back into physical improvements at the sites, including the infrastructure of water systems, sewer systems, restrooms, showers, picnic tables, fire rings, paving, signing, fish cleaning stations, RV dump sites, and more. The sites that are in the concession program have a program of both tenant and landlord maintenance items that are identified each year between the concessionaire and the Forest Service.

It is through the concession program that many campgrounds have been maintained and improved over the last 25 years. It is safe to say that without the concession program, there would be many more campgrounds in disrepair and on the “to be closed” list. The concessionaires have invested significantly of their own time and dollars in the National Recreation Reservation Service to make many of their sites available for campers wanting to make reservations. It is an on-going process, but one which has good lines of communication, assistance when needed, and which provides an excellent service to the public.

Today, hundreds of companies provide this service operating over 70 percent of all of the Forest Service’s developed recreation sites. This cottage industry generates millions of dollars in revenue to the Government and employs thousands of people. Concessionaires also utilize the services and products of thousands of small local vendors across the country—making a significant contribution to many rural economies.

The concession operation of campgrounds, picnic areas, swimming beaches, cabins, and other recreation sites with facilities and improvements needs to be retained and encouraged. It is no accident that the Forest Service, which has by far the greatest number of recreation areas under their “recreation service partner” concession program, is facing the least pressure to close recreation areas among Federal and State authorities. It is a credit to the Forest Service’s concession program, that all of the sites operated by concessionaires continued to be open to the public during past Government shut-downs, and throughout the sequestration of 2013. Sites operated by concessionaires opened on time, and the public was rewarded by being able to continue with their recreation plans. Many people make their reservations nearly a year in advance, and our members were able to continue to host them without any disruptions in service. This is what the public has come to expect, and with quiet resolve, our members work very hard to make sure the public has access to clean, safe and enjoyable facilities.

At over a thousand concession-operated sites in the Forest Service, operating costs under concession management are significantly less than what they would be if the agency were to operate the same facilities. In addition, the concessionaires provide a high level of customer service and compliance with all associated laws and regulations. The private sector is able to provide much greater field presence in the recreation sites as they are not subject to any hiring limitations, freezes, or other complications that exist in the Federal agencies. The concession program helps to keep costs, and thus user fees, low and helps avoid the problem of escalating deferred maintenance bills seen at many other agencies. In the sequester, not one concession-operated recreation facility or campground had any sort of closure or service reduction.

FLREA KEY ISSUES

Under the current implementation of FLREA, there are several areas where changes need to be made for the program to be supported by NFRA in the future.

Despite the high percentage of Forest Service recreation sites that are operated by private companies, past legislation affecting use fees at recreation sites has not dealt with the fact that most of the Forest Service sites are concessionaire-operated. A clear example is the "America the Beautiful" (ATB) pass program, which has grown and expanded since FLREA was enacted.

- When the Federal agencies issues passes that provide discounts in concession operated sites, the agencies need to compensate the concessionaires who are bearing the costs of operating the facility and providing the services to the public. Requiring concession operators to provide services for free or for a mandated discount is a Government service with the burden of costs being carried by the private business. Establishing a method of reimbursement (which could simply include a fee credit) would be the most direct and equitable means for covering the cost of the discount. With the Government collecting the money for passes authorizing the discounted use, funds should be available to reimburse concessionaires for providing the services to pass holders, or a system for a fee credit should be available.
- The agencies should be prevented from removing concession operated sites from the program which the Government then operates themselves to retain the fees. This results in a breakdown of the economic viability of concession operations, and puts the sites at risk when there are Government shut-downs, reductions in hiring and other factors that affect operations. It also results in a significant loss of revenue to the agencies when they operate these areas. The agencies should not be in competition with the private sector. Services such as outfitting and guiding are more successfully provided by private companies and they help to stimulate local and regional economies. Hiring thousands of employees, purchasing goods and services, paying local—State—and Federal taxes, are all significant contributors to the overall recreation and tourism economy which is critical in many areas.
- The agencies need to eliminate layered fees where concession operations exist. The public is confused by the multitude of fees and they believe they are being double charged by the agency, and then by the concessionaire when they enter the actual recreation site or facility. It is frustrating for the public.

CURRENT SITUATION WITH CONCESSIONAIRES AND FLREA

Currently there are numerous recreation passes authorized under FLREA. Although some of the passes state that they may not apply to concession operated facilities, there are conflicts within the legislation and between the various local and national discount passes. The wording is in small print, and the public is not aware of the differences between Federal operations and concession operations. It has been the source of continual conflict throughout the program.

The following is a list of the current discount passes available. This information is from the Web site, and as you will see, there are no details provided as to whether the discounts are applicable in concession operated sites. This is a continual source of confusion and conflict with the public, and has only increased with each new pass that is added to the program.

*Interagency Annual Pass—Costs: \$80 Annually**Benefits*

- Honored nationwide at all Forest Service, National Park Service, Bureau of Land Management, Bureau of Reclamation, and U.S. Fish and Wildlife Service sites charging entrance or *standard amenity fees*.
- Valid for 12 months from the month of purchase. Expires the last day of the month punched.
- The Interagency Annual Pass has two signature lines and any two individuals may sign the pass. Both are considered pass holders.
- Admits pass holder and any accompanying passengers in a private non-commercial vehicle.
- At per-person fee areas, admits pass holder and up to 3 persons. Persons 15 and younger are admitted free of charge.
- Frequent visitors of multiple Federal agency lands may save money by buying an Interagency Annual Pass.

Interagency Military Pass—Costs: Free

Benefits

- Honored nationwide at all Forest Service, National Park Service, Bureau of Land Management, Bureau of Reclamation, and U.S. Fish and Wildlife Service sites charging entrance or *standard amenity fees*.
- Valid for 12 months from the month of issue. Expires the last day of the month punched. Pass will be issued through December 2013.
- The Interagency Annual Military Pass has two signature lines and can be signed by another active military member or dependent at any time. Both are considered pass holders.
- Admits pass holder and any accompanying passengers in a private non-commercial vehicle.
- At per-person fee areas, admits pass holder and up to 3 persons. Persons 15 and younger are admitted free of charge.

Interagency Senior Pass—Cost: \$10 Lifetime

Benefits

- Honored nationwide at all Forest Service, National Park Service, Bureau of Land Management, Bureau of Reclamation, and U.S. Fish and Wildlife Service sites charging entrance or *standard amenity fees*.
- Valid for pass holder's lifetime.
- Admits pass holder and any accompanying passengers in a private non-commercial vehicle.
- At per-person fee areas, admits pass holder and up to 3 persons. Persons 15 and younger are admitted free of charge.
- Receives a 50 percent discount on some *expanded amenity fees* like campgrounds (does not include hookups for water/sewer/electricity), highly developed boat launches and swimming sites and for specialized interpretive services.

(More Information)

Interagency Access Pass—Cost: Free, lifetime

Benefits

- Honored nationwide at all Forest Service, National Park Service, Bureau of Land Management, Bureau of Reclamation, and U.S. Fish and Wildlife Service sites charging entrance or *standard amenity fees*.
- Valid for pass holder's lifetime.
- Admits pass holder and any accompanying passengers in a private non-commercial vehicle.
- At per-person fee areas, admits pass holder and up to 3 persons. Persons 15 and younger are admitted free of charge.
- Receives a 50 percent discount on some *expanded amenity fees* like campgrounds (does not include hookups for water/sewer/electricity), highly developed boat launches and swimming sites and for specialized interpretive services.

(More Information)

Interagency Volunteer Pass—Costs: Free

Benefits

- Honored nationwide at all Forest Service, National Park Service, Bureau of Land Management, Bureau of Reclamation, and U.S. Fish and Wildlife Service sites charging entrance or *standard amenity fees*.
- Valid for 12 months from the month of issue. Expires the last day of the month punched.
- Admits pass holder and any accompanying passengers in a private non-commercial vehicle.
- At per-person fee areas, admits pass holder and up to 3 persons. Persons 15 and younger are admitted free of charge.

As noted in all of the descriptions above, pass holders are allowed free use of standard amenity sites. However, many standard amenity sites are maintained and operated by concessionaires and a fee is charged for this effort. Pursuant to other laws and regulations, the Government cannot *require* concessionaires to provide *free* use. Because of this conflict, the Forest Service has taken back many standard amenity sites to operate themselves and retain the fees. The Congressional Record and the intent of Congress at the time of FLREA passage stated that sites should *not* be taken out of the concession program if they have been operated as such in the past. The impact on concessionaires continues to grow. The "America the Beautiful" Pass system—along with the multitude of local and regional discount passes—

has clearly resulted in a significant change in the magnitude and applicability of discounts which Forest Service concessionaires are required to give to visitors. The passes are now sold by five Federal agencies, with the potential of additional agencies joining the program. Because these discounts directly reduce concessionaire revenue, they threaten the economics of operating campgrounds and day use sites under existing Special Use Permits. Regarding new concession opportunities, some have said that concessionaires should simply take the discounts into account in their bidding for new operations. However, this is unrealistic because there are no known facts or figures on the exact or approximate magnitude of this issue on which to make a bid. This puts Forest Service concessionaires at a competitive disadvantage as the more discounts they are required to honor, the more they have to raise fees to the paying guests to cover the losses. In addition, because some discounts are only available to selected groups (seniors, active duty military service personnel, disabled persons, volunteers) it is an unfair burden to the other groups and campers to subsidize the costs of the steep discounts of 50 percent—or even free use.

Requiring concessionaires to provide services for free, or at a discounted rate to certain deserving groups without compensation is a government benefits program. If the agency wants concessionaires to honor passes, there should be a fair method of compensation for concessionaires who are required to provide services at a discounted price. Possible solutions to this problem include establishing a fee credit, fee waiver, or a reimbursement for concessionaires. With the Government collecting money for the passes, there should be funds available to reimburse concessionaires for providing services at a discounted rate to pass holders.

LEGISLATIVE ALTERNATIVES

In response to the issues outlined above—NFRA suggests the following changes to future legislation regarding user fees:

- Provide for full compensation when concessionaires are required to honor any discount passes that are in the program. This would include passes that are in the program initially and those that are added in subsequent years. Presently, those include the Annual, Senior, Access, Military, and Volunteer passes. This would include discounts in the Standard Amenity Areas *and* the Expanded Amenity Areas. It is simply too confusing to the public to discern the difference between the level of development, and terminology used to describe where the discounts are valid. It is equally confusing for them to know and understand which sites are under Federal operation and which are concessionaires. We should have a seamless system of program delivery. Such compensation could come either from the fees the Government collects in the sale of the passes or through a reduction of the concession fee paid by the individual campground concessionaire. This same requirement would apply to regional and forest-specific passes as well.
- Federal agencies should not be in the “business” of providing outfitter and guide services. The lure of funding has resulted in some existing permits not being re-issued to existing businesses, as the agency wants to provide the service themselves and retain the fees. This is a service better suited to be provided by the private sector.
- Consider the expansion of fee retention for other recreation special use permit fees. Presently, only outfitter and guide fees are retained by the agency. Other special use permit fees for uses such as ski areas, resorts, marinas, youth camps, and organization camps could be retained. These fees need to be specifically directed to cover costs associated with permit issuance, including all environmental reviews and analysis costs. Any and all costs for studies, assessments, and other process procedures—beyond what are retained from the permit fees—should be covered by the agency.
- The agencies need to retain full authority to approve fees of the concessionaires and permittees without being subject to “advisory groups.” The complexity of establishing fees includes factors that can change suddenly and with which the private sector must comply.

The following are examples of mandatory costs (but are not limited to this list):

- Minimum wage laws (State-by-State);
- Health insurance requirements;
- Liability insurance requirements;
- Environmental quality requirements (water systems, gas/diesel, etc);
- Fuel costs; and
- Workers compensation.

—Expand the pass system to include the Army Corps of Engineers' sites, but *only* if there is an established reimbursement system to concessionaires who are required to provide discounts under the national program.

SUMMARY

Because we are an affected group, and because we have been involved in the concession program since its inception, we would like to provide testimony at your next committee hearing. We would also like to invite committee members and/or their staff to visit Federal recreation areas that are managed by private concessionaires.

We are in general support fee legislation as a means of bringing additional funds to the agencies' recreation programs. However, the devil is in the details, and we welcome the opportunity to provide input to help make the program as successful as possible. The changes we are recommending will serve to provide greater clarity and consistency to the public, and provide for an equitable and sound business environment for the companies operating Federal sites.

Thank you very much.

